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MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE

ON THE

AFFAIRS

THE EAST INDIA COMPANY;

AND ALSO AN

APPENDIX AND INDEX

IV.

Judicial.

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MINUTES OF EVIDENCE.

Martis, 28° die Februarii, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

IV.
~~III.~~
JUDICIAL.

Rich. Clarke, Esq.
28 February, 1832.

Richard Clarke, Esq. called in; and Examined.

1. WHAT is your profession?—I am a retired Civil Servant of the East India Company, under the Madras presidency.

2. How long did you serve the Company?—From the season of 1804.

3. In what departments did you principally serve?—In the sudder adawlut, and part of the time in the Board of Revenue, of which I was junior member when I left Madras. I was also Tamul translator to Government, and *ex officio* a member of the Board for the superintendence for the College.

4. During what period of the service were you in the sudder dewanny adawlut?—I was in the sudder dewanny adawlut from 1814 to 1820, as deputy registrar and acting registrar.

5. In filling those situations, you have of course turned your mind to the subject of the judicial administration of the Company?—I have.

6. As registrar of the sudder dewanny adawlut, you carried on correspondence with the different civil courts of justice, during that time; did you not?—Yes; officially, under the instructions of the judges.

7. Had you opportunities of being acquainted with the course of proceeding in those courts?—I had.

8. Can you state what is the course of education pursued in the college of Madras, during the period of qualifying writers for their situations in the service?—My knowledge on that subject arises from my being an *ex officio* member of the college board of Madras, from 1815 to 1826, when I left India. The writers, on their arrival at Madras, were placed under the general supervision of the college board; their first duty was to qualify themselves in the languages of the country, and for that purpose they were required to select one of the vernacular languages of Hindoo origin; the Tamul, or the Telooguo or the Canarese, or the Malayalim or the Mahratta; and as a second language they were permitted to take either the Persian or the Hindostanee; they were required to study two languages. The increase of their allowances depended upon the progress they made in their studies, as reported by the college board to the Government. Besides the study of the languages, they were also required to inform themselves on the general principles of the regulations enacted by the local government; and they were examined in their progress as well in the languages as in the regulations, by members of the college board. The regular examinations were half-yearly, but special examinations were also allowed when students deemed themselves qualified to apply for the increase of allowance granted for a certain standard of acquirement in the languages. When a student could translate from and into his first language, with correctness and facility, and could hold a conversation with natives upon any subject proposed to him, and could read official papers put into his hand, and had acquired a knowledge not quite so extensive of his second language, he was reported by the board as qualified to enter upon the duties of the public service.

9. Are any means taken to qualify those who are to take judicial situations?—No other but causing them to read the regulations of the government in the college, and examining them thereupon.

10. You were understood to say that some acquaintance with the regulations was required of all students in the college; is more required of those who may fill judicial situations than of others?—There is no difference made in the course of education of the students, with reference to their future employment in any particular branch of the service.

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11. Is there any and what principle upon which the servants who are to fill judicial situations are selected?—They are generally selected for promotion with reference to their standing in the service, as entitling them to a superior salary; the appointment to office is in the discretion of the Governor in Council.

12. May they be appointed to a judicial situation immediately on leaving the college?—They may be appointed to ministerial offices in the courts; they may be appointed registrars, but they seldom are so. There is no rule prescribing any course of education, or any course of promotion for servants, in regard to judicial offices. When a writer is reported qualified for the public service he is eligible, according to the discretion of Government, either to the revenue or the judicial department; he would enter upon those duties in the inferior grades: if he chose the judicial department, he would probably be appointed an assistant either in the zillah or provincial court, or he might be appointed a registrar; his being so would depend generally upon the number of servants who were at the disposal of the Government to fill the different offices of administration at the period. As assistant, he would perform duties both on the criminal and on the civil sides. An assistant has no judicial functions to perform, he is merely a ministerial officer; but the registrar of a zillah court has jurisdiction as a judge to a certain amount. Under the government of Sir Thomas Munro it was the practice to appoint all young men, on their quitting college, to situations in the revenue department in the first instance: there is no rule of promotion established by the Government, nor is any standard of judicial qualification required, nor does any examination take place on the appointment of civil servants to judicial offices after quitting the college.

13. When does the Government take any and what means of ascertaining the qualifications of those who are promoted to judicial situations?—That is a matter which rests entirely in the discretion of the Governor in Council.

14. What opportunities has the Government of knowing the qualifications of the servants to execute judicial offices?—They have the general means of estimating the intelligence of a civil servant from his public acts, as recorded in the proceedings of the courts, or his correspondence with the Government.

15. Will you explain what you mean by the statement that, under Sir Thomas Munro, the writers began in the revenue department?—Sir Thomas Munro was of opinion, that more extensive general knowledge was to be obtained by service in the revenue than in the judicial department; and as the civil servants were eligible to any office under the Government, he sent them into the revenue department first, as best qualifying them for any situation to which they might be afterwards appointed.

16. At what age do the writers generally leave college at Madras?—About 20; they come out generally about 18 or 19, and they remain in college about one or two years.

17. How early is the age at which they enter on any judicial function?—According to the course of appointment adopted of late years, a civil servant was generally appointed registrar after about three years service in the revenue department.

18. Did he ever assume any judicial functions before he had been employed a certain number of years in the revenue service at Madras?—According to the common course of practice of late years, a man was not appointed registrar until he had served three years in the revenue department.

19. Can you state the age at which a person gets to the office of registrar?—About 23.

20. During the time he is in college, are there no books which will give him information respecting the law or the judicial system, except the regulations?—He is not required to study any books for that purpose; those who have made progress in Sanscrit at Hayleybury College generally have read the Institutes of Menu; that is one of the text-books of Hindoo law.

21. The moolvee, or Mahomedan law expounder, is an officer of the college, is he not?—Yes.

22. Is there a Hindoo pundit and an expounder of Mahomedan law also attached to the college?—Yes; there are also classes of native students in Hindoo and Mahomedan law.

23. The writers do not avail themselves of that means of instruction?—They are not required to do so; the instances of their doing so are rare.

24. You know that there are translations of Menu and several other writers on the Hindoo law?—Yes, there are.

25. And

25. And also of several of the authors and writers on Mahomedan law published?—Yes, there are.

26. Is it as part of the instructions given to them to obtain information by the reading of those books?—It is not.

27. Will you explain how it happens that there is no instruction in matters of law in the college?—When the civil servants of the three presidencies went to Calcutta to qualify themselves there for the duties of the public service, which was the case under Lord Wellesley's administration, they did study the laws; but after the abolition of that college, the only branch of study required to be carried on in India was that of languages. The college at Madras was established in its best form, after several experimental plans, on a plan formed about the year 1810 by the late Mr. Ellis, of the Madras civil service, who was a very excellent oriental scholar, and also himself well versed in the laws. One of the declared objects of the institution was to have efficient native teachers to instruct the civil servants in the languages of the country; their qualifications were to be ascertained by the board, which was formed of the translators to Government, and of some other civil servants of the establishment who were conversant with the Indian languages. Mr. Ellis was the first senior member or president. It was the duty of the board also to inquire into the debts incurred by young civil servants; a declaration upon honour was required from each at the half-yearly examination, which was of course a confidential communication, stating whether he was in debt, and the amount. By that system the board at Madras were enabled greatly to check the incurring of debt, and the satisfactory result was that the greatest portion of students quitted the college free from debt; in no case, while I was a member of that board, did it ever happen that a student in the college owed more than 3,000 rupees.

28. It is understood that the college of Lord Wellesley was intended as a seminary for the general instruction of all the civil servants under the three presidencies, both in the oriental languages and in law, as well as other departments of knowledge?—Yes.

29. And that the system the Company substituted was that of instruction in this country previously to the going out as writers, in law and in other departments of knowledge which might be requisite; and that having given the writers the rudiments of oriental language in this country, the college in Bengal should be employed to perfect them in those languages? was the college at Madras formed after that time, and was it modelled upon the plan of the reduced college at Calcutta?—There was a succession of plans at Madras, the first of which were very simple; the last scheme was adopted on a model sketched out by Mr. Ellis.

30. In the functions of criminal justice, at what age are the writers promoted to situations in which they exercise criminal jurisdiction to any extent?—Since the transfer of the office of magistrate to the collector, which took place in 1815, a writer, immediately upon his appointment in the revenue department, was liable to be called upon to execute the duty of magistrate, as the collector might delegate to him the whole of his magisterial authority, or such part as he might deem it expedient to entrust to him.

31. What extent of power would that imply?—A power of imprisonment and corporal punishment within the limits prescribed by the regulations.

32. He might stand in the place of the magistrate almost immediately after his leaving college?—Yes.

33. What is the station at which he might ultimately arrive as a criminal [illegible]?—As a "criminal judge," technically, his duties would be attached to the [illegible] of zillah judge.

[illegible] A magistrate has not the power of life and death?—No; nor the criminal [illegible] The zillah judge is the criminal judge; his power extends to punishment [illegible] extent. The next court in gradation is the provincial court, which, in [illegible] character, is a court of circuit for the trial of all greater offences; they [illegible] their sessions at the zillahs within the range of their jurisdiction. All capital cases must be referred for confirmation by the court of circuit to the sudder foujdary adawlut, before they can be carried into execution.

35. At what period of their age or service do writers attain to those high judicial situations?—A civil servant is seldom appointed a zillah judge before he has served from 12 to 15 years, nor generally to the provincial court until after the further service of six or eight years.

36. Was it the principle and general practice of the Government that individuals should be promoted to those high stations according to the character for ability, knowledge

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knowledge and propriety of conduct they had established in situations of a subordinate kind?—The appointments to office rested entirely in the will of the Governor and Council; I should say that during Sir Thomas Munro's government, the more able public servants were appointed to the revenue department.

37. How far was the character acquired in the inferior judicial situations considered as establishing a title to advancement?—It was generally so considered, as far as the exigencies of the service would permit.

38. Do you mean to imply that there were not a sufficient number of persons?—At times there was a bare sufficiency; there was no special qualification for the judicial line, neither was the succession of appointment by degrees in the judicial department under any existing law.

39. Was there any rule that made it necessary that a person should pass through the different ranks of zillah judge and circuit judge before he arrived at the highest?—No.

40. Then it was possible that very soon after he left college he might be appointed to a high situation?—No; the high situations, with high salaries, cannot be held by a junior servant.

41. Was there any other rule of succession, except that a certain standing was requisite to the filling the places of a certain salary?—None.

42. Were the emoluments of a judicial situation such as to tend to lead men of great ability to direct their attention to those situations, in preference to situations in the revenue or other departments?—Not for some years past; the most lucrative line of promotion latterly was the revenue, and it offered the greatest number of situations.

43. Was there anything in the rank or station a judge held that would induce a man to take that situation rather than that in another department?—No.

44. Have you turned your attention to the subject how far it would be possible or desirable to provide means for the completing the instruction of those servants who were to fill judicial situations?—I think that such a measure is essential to the efficiency of the courts, and therefore highly desirable; the mode of effecting that object is one on which I am not prepared to speak.

45. In your opinion, is the instruction in the Institutes of Menu, or any of the books of the Hindoo law, advantageous?—The courts are called upon to administer to the Hindoos and to the Mahomedans respectively their own laws, and are required by the regulations to submit to the native law officers, who are appointed to their courts, the questions that are necessary to elicit an opinion from them on each point of law that may arise. The law officer, in his reply, generally refers to standard works, the authority of which is admitted in the province in which they are cited. The most important works on inheritance and adoption, which are two of the principal subjects of litigation in the Indian courts, have been very ably translated into English; and there are other works also translated to which reference may be had. A considerable knowledge of the principles of Hindoo and Mahomedan law, in most of the ordinary subjects of litigation, may now be attained by the study of English translations and treatises. The knowledge of the native languages, which civil servants are now required to attain, might enable them to satisfy themselves that the quotations of the Hindoo lawyers were correctly made. A knowledge sufficient to enable a judge to check the officers, and to prevent their imposing erroneous opinions or greatly misleading the court, would seem to be absolutely necessary for the due performance of the duties of the judicial office.

46. Do you think that should be added to the present system of instructi[illegible] languages?—Yes, certainly.

47. How far are the European judges dependent upon the native law off[illegible] the administration of justice?—They could not give judgments in civil cases [illegible] the opinion of those officers, except on very solid grounds. Generally s[illegible] they are considered as bound by the opinion of the native law officers.

48. Do the native law officers give their answers, as to the law, in writing, [illegible] to form part of the record?—Always.

49. Are the judges sufficiently acquainted with the principles of Hindoo law to exercise a check and control over the opinions of the Hindoo lawyers?—Generally speaking, at Madras, I should say they are not.

50. Will you state more particularly how the law officers are appointed, how they are qualified for their duties, and in what manner their qualifications are ascertained?—Since the establishment of the college of Fort St. George, there has been a class of native students of Mahomedan law, and another of Hindoo law, under

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under the Sanscrit and Arabic head masters respectively. By a regulation of the year 1817 it was provided, that no law officer should be appointed excepting after examination by the college board, aided by the native professors of Hindoo and Mahomedan law attached to the college, and by the pundits and cauzeys of the sudder adawlut: under this system provision has been made for a sufficient number of learned Mahomedan and Hindoo lawyers to fill those offices. Persons who had qualified themselves by study in the interior were also permitted, on coming to Madras, to be examined by the college board, and were entitled, on proof of their qualifications, to a like certificate with those who had been educated wholly in the college.

51. Are those Hindoo law officers generally well informed upon the subject of the law?—I think they are, and they are remarkably acute in applying their knowledge.

52. Those officers are in the nature of assessors to the judges?—Yes, so far as delivering opinions on points of law referred to them.

53. What is the profession of a native pleader?—The native pleaders conduct the suits of the clients before the zillah and provincial courts and the sudder adawlut; they draw all the pleadings and examine the witnesses.

54. Are they appointed to the office?—They have a sunnud or patent, authorizing them to practise; it is one of the duties of the college board to prepare vakeels or native pleaders, who are, however, not required to have so thorough a knowledge of the native law as those who are candidates for the offices of cauzey or pundit; but they are examined in the native law, and are further required to have a sufficient acquaintance with the regulations passed by the Government. Individuals of this class, when found duly qualified, receive a certificate from the college board, upon producing which before the sudder adawlut, they receive the sunnud or diploma of appointment, in virtue of which they are allowed to practise in any court they may select. The object of these arrangements was as much as possible to assimilate the native to the European bar, leaving it to the clients to make their own selection of their law advisers.

55. Do they address the court in oral argument?—No; the pleadings and motions are all submitted in writing; they examine witnesses.

56. Is there any regulation as to the amount of their fees?—Yes; their fees are all prescribed by regulation; their fees are a per centage on the amount litigated.

57. Are the vakeels generally very good lawyers?—Many of them are very acute reasoners, and some are good lawyers.

58. Do they discharge their duties generally well?—Generally; the vakeels appointed of late are more able than those formerly admitted, owing to their better education.

59. Are they ever promoted to be cauzeys or pundits?—Some of the Hindoo vakeels have been appointed pundits, but before obtaining such an office they would be required to pass another examination and to obtain a certificate of higher qualification.

60. Does the principle of payment by the amount litigated arise from the positive regulations of the Government?—It is prescribed in the regulations that the vakeel's fee shall be at a certain rate per cent. The fees are paid into court at the commencement of the suit by the suitor, and paid over to the vakeel at the close of it.

61. Has the institution of vakeels been found to be of great utility in the administration of justice?—I am of opinion that it has; their utility must depend upon their skill and knowledge; and the better education given them of late years, and their greater experience of the business of the courts, has much improved these qualifications in comparison with what they were on the first institution of the courts of judicature.

62. What is the nature of the pleadings in those courts?—The first pleading is a plaint, which developes the case of the plaintiff; this is answered by the defendant in his answer, which, when well drawn, states the grounds of the defendant's objections to the case of the plaintiff; the regulations provide for a reply and a rejoinder, and in some special cases for supplemental pleadings. There is great variety, both in the clearness and in the length of the pleadings, depending of course upon the sense and judgment of the pleader; some of the pleadings are exceedingly well drawn.

63. Suppose a question of law arises in the pleadings, is that referred to the judge?—The judge refers the question of law to the law officers after having gone through the pleadings and heard the evidence, and before passing his decree.

 64. Are

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64. Are the pleadings analogous to equity pleadings in this country?—The defendant is not upon his oath.

65. Are the law and facts blended in the same pleadings?—They are.

66. The judge having consulted the law officers on questions of law, decides upon the whole of the law and the fact of the case?—He does, reciting at full length in his decree the substance of the pleadings, the evidence taken, the reference, if any, to the law officer, with his answer, and concluding with the grounds of his own decision.

67. Are there any fees for the drawing the decrees and other official reports?—The copies of decrees required to be given to each party are written on stamped paper of a certain value; if the parties require additional copies they may have them, by paying for them on the stamps.

68. From what persons do the pundits and cauzeys respectively come?—The pundits are all Brahmins, the moolivees and cauzeys are generally of highly respectable Mahomedan families.

69. Have you seen much of the native judges?—I have not seen the courts of the district moonsiffs in operation, as I have never served in the interior, but I have known many natives who have been appointed to those situations; it was not uncommon of late for persons who had qualified themselves either for law officers or for vakeels, to solicit and receive appointments as district moonsiffs; but any respectable native of known qualifications, and without any particular examination, might be appointed a district moonsiff. The sudder ameens, who are the Mahomedan and Hindoo law officers of the zillah and provincial courts, also exercise judicial functions, and have jurisdiction to a limited extent in cases referred to them by the zillah judge.

70. Do the Mahomedan and Hindoo law officers sit together in the court, or constitute separate courts?—They sit separately.

71. Describe the distinction between the court of sudder ameens and the court of moonsiffs?—The sudder ameens can only receive such suits as are referred to them by the zillah judge, but the district moonsiffs have original jurisdiction to an amount limited by the regulations.

72. Is there any appeal from the decisions of either?—Yes, to the zillah judge.

73. Are such appeals frequent?—I believe that no very great proportion of decisions of sudder ameens or district moonsiffs are appealed.

74. Do you conceive that the appointment of native judges has, upon the whole, answered in such a manner as to justify more extensive employment?—I think fully so, so long as there is an appeal from their decisions to a tribunal at which an European judge presides.

75. Supposing there were no such appeal, what do you conceive would be the consequence?—I think that the decisions of a native court, whose decrees were final, would not be confided in by the natives themselves in any but small suits; and I think that in the very imperfect state of morality among the natives of India, there is not at present sufficient security for the pure administration of justice uncontrolled.

76. Is it not possible that the very circumstance of reposing more confidence in them would tend to improve them?—I do not see how that effect can be produced, while they are open to so much temptation, and while their principles are so lax.

77. In point of fact, do you conceive the liability to an appeal operates as a very considerable check on the conduct of the native judges?—Certainly, a most important check.

78. Is there not a class of causes in which there is no appeal?—The decree of the district moonsiff is final, I think, as far as 20 rupees.

79. In the decisions where their decree is final, are there complaints made of those decrees?—I believe not; native judges are liable to be sued civilly, and prosecuted criminally, for corruption or bribery.

80. Do you recollect at what period the authority of these judges was introduced to the extent to which it now exists?—There had been for many years native commissioners, not altogether so respectable as the present district moonsiffs. The number of these judges was considerably increased, and their jurisdiction was extended, by regulations passed in the year 1816.

Martis, 6° *die Martii*, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

Richard Clarke, Esq. again called in; and Examined.

IV.
JUDICIAL.

Rich. Clarke, Esq.
6 March 1832.

81. HAVE you ever turned your attention to the question in what manner the Company's servants to be employed in judicial situations may best be qualified for the discharge of that duty?—I have considered the subject a little since I had the honour of being before the Committee last. In comparing the course of education laid down in the regulation for the college at Calcutta, under my Lord Wellesley, with the systems now pursued, it appears that every branch of knowledge there taught has been provided for either in England or in India, excepting the study of Hindoo and Mahomedan law. General instruction in law is given at Haileybury college, but it is, I apprehend, merely in the rudiments; and it is known that in every branch of study there is great variety of proficiency and attention exhibited by the students, consequently a considerable number quit the college but slightly imbued with even those general principles of the administration of justice; but on the principles of the Hindoo and Mahomedan law, I believe no particular instruction is given at the East India college. It is also of great importance towards fitting a man for the discharge of the higher judicial functions, that he should acquire, by due preparation, the power of discriminating between truth and falsehood in taking evidence, and certain fixed principles which may generally govern the admission of evidence. For want of practice in these particulars the Company's servants are generally left to form their individual opinions of the mode of determining on the credibility or otherwise of the evidence before them. I think it is owing to this want of experience, and of training to this part of the judicial duty, that complaint is so frequently made of the difficulty of ascertaining the truth, and distinguishing between truth and falsehood in suits between natives. To remedy these evils it would appear necessary that more detailed instruction in law should be given, and that the civil servants should have the opportunity of forming themselves for the administration of the higher judicial functions by witnessing the proceedings of regular courts. The judges of all the Company's courts in India, from the lowest to the highest, have been equally left to fit themselves for the discharge of their functions, and consequently there is no greater certainty of acquiring valuable experience in the higher than in the lower courts. It is one of the duties of the court of sudder adawlut to regulate the practice and proceedings of the lower courts, and this they do by written orders upon points referred for their direction, or upon any subject that arises in the course of the proceedings which come before them, and which may seem to require interference on their part to correct errors or to ensure consistency. But a very small portion of the Company's servants have an opportunity of witnessing this part of the proceedings of the sudder adawlut, as applicable to the general administration of justice, and the mere occasionally reading of an order will convey little general knowledge to the reader of it. If the proceedings of the court of sudder adawlut were under the direction of judges more regularly trained in the study and practice of law, and if the proceedings before them were carried on by oral pleadings in the English language, considerable facility would be afforded for the practical study of the administration of justice to the Company's junior servants; and if examination in the laws which they are to administer were made to precede appointment to the office of judge, it does not appear impossible to train the Company's servants for the discharge of judicial functions, even in the course of their service in India.

82. In what way are the proceedings of the courts made known to the sudder adawlut, so as to give them the opportunity of judging of them, and providing an uniformity of practice?—First, by appeals, in which every proceeding and order of the lower court is laid before the sudder adawlut in writing; secondly, by petitions presented to the sudder adawlut by parties who consider themselves aggrieved by any order or proceeding of the inferior court; and lastly, by examination of the periodical reports of suits decided by the lower courts, the review of which occa-

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sionally suggests doubts of the propriety of the proceedings in the courts below, wherein reference is made to the interior court for information and explanation.

83. Do you mean it is compulsory on the judges of the lower courts to make those periodical reports?—It is provided for by the regulations.

84. Have you had occasion to see that even the merely rudimental instruction in law which is acquired at Hayleybury proves beneficial in framing the orders for judicial proceedings?—Certainly, in giving general principles of equity and justice. I have always found the judicial officers of the Company anxious to discharge their duty, not only with uprightness, but with great independence.

85. You say that the difficulty of discriminating between truth and falsehood in native suits arises partly from the want of proper instruction in those who have to judge; is it in any degree produced by the want of the quality of truth or veracity in the natives?—Undoubtedly, to a great degree. A native will in general give his evidence rather with reference to the consequences of what he may say to his own interest, than from any regard to its truth or falsehood.

86. Are you aware that it has been urged as one reason for employing native juries and punchayets, that natives are much better able than Europeans to elicit truth from native witnesses?—I am aware that that is one of the reasons urged. There is no doubt that their more familiar acquaintance with the language and habits of their fellow-countrymen must give them a considerable advantage in the discovery of truth; but I think that generally, where the habit of examining evidence exists, as in the judges and counsel in the King's courts in India, the truth is generally arrived at.

87. You mean when natives are under examination?—When natives are under examination.

88. Do you mean to say, that the barristers and judges of the King's courts, though from their education less familiar with the habits of the natives than the Company's servants, yet are more successful in eliciting truth from native witnesses?—I think they are generally so, on the whole; that they are more certain of arriving at the truth.

89. Do you consider the experiment of employing punchayets, on the whole, as having failed or succeeded?—At Madras I believe it has entirely failed.

90. To what cause do you ascribe its failure?—To the unwillingness of natives to take upon themselves the trouble of deciding causes without remuneration, with the probability of bringing upon themselves the ill will of the parties before them, and certain occupation of a great portion of their time in matters in which they have no personal interest; also to the want of confidence on the part of the natives in their decisions.

91. That is, you mean of native suitors?—Yes, of native suitors in the decision of punchayets.

92. Then how far do you think it would be possible to extend the use of native agency in the administration of justice in the Company's courts?—It appears to me that it might be done by associating natives with Europeans in the discharge of those duties: their assistance would be of great advantage as assessors or co-judges; and by being associated with European judges, they would acquire the habit of administering justice without being so much exposed to those temptations and to those influences which have been found generally to affect their conduct in proportion as they are vested with independent authority, and on the extent of which we possess probably less accurate information than on any other relation of the native character.

93. Do you think that the natives, by being employed in administering j[illegible] would by degrees learn to act more independently than Europeans?—In o[illegible] the improvement of the native character, I think there is wanting a [illegible] principle in themselves individually than they are now found to possess, and [illegible] powerful influence of moral opinion on the part of native society. At pres[illegible] morality affords little internal control over their actions; it does not furnis[illegible] with a conscientious check on their conduct; and there is no control of pu[illegible] opinion acting upon them externally. Injustice or misconduct which should prove successful in making the fortunes of a native, would attach no disgrace to him in the estimation of his countrymen.

94. How is perjury punished?—Perjury is punished under the regulations, by imprisonment and hard labour; I am not sure whether by transportation, but by imprisonment and hard labour certainly.

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95. Are prosecutions for perjury frequent?—Very frequent.

96. What is the effect upon the character of a native, on his having been prosecuted for perjury, and convicted?—If the man is of a character to which from rank or caste any degree of respectability or sanctity attaches, those qualities would not be affected by his punishment, in the minds of the natives. I believe that persons holding offices attached to temples have been viewed with equal reverence and treated with equal deference in regard to their spiritual authority, while under actual punishment for perjury.

97. And would it not operate as a stain upon them in society?—Not among themselves.

98. In the event of an increased introduction of Europeans, either for the purposes of trade or settlement, into the Company's territories, have you considered whether and in what way the judicial system of the Company must be altered to adapt it to the consequent state of things?—The question is a very difficult one, but I will endeavour to state what occurs to me. In the relations of commerce the dealings of the Europeans would be with the natives on the spot; it would seem necessary, therefore, that one law should exist, which should be equally administered to both: this would seem to render it necessary that the principle of legislation must adapt itself rather to the state of the European than of the native. The natives have been for centuries subject to despotic government: the laws enacted by the British Governments in India for the regulation of their servants, though in their general principle eminently equitable and just, have left more to the discretion of the local officers in the provinces than perhaps could be allowed if they had European settlers to deal with. The laws must be more definite and precise, and must be so administered as to ensure both efficacy and uniformity. The revenue laws, it would seem to me, must be drawn with great care and clearness, in order to avoid frequent collision between the European settlers and the officers of the Government; and, being drawn by competent persons, must be administered with firmness and vigour. It appears to me, that since we are charged with the government of a country, the people of which have always been accustomed to the most submissive obedience to their rulers, and that submission having hitherto ensured the peace of the country, it is incumbent on us to protect our native fellow subjects from the evils that must necessarily arise, if contention between the Government and European settlers should be of frequent occurrence. An European, reckless of consequences and selfishly devoted to his own interests, might create such disturbance in a district, or might so impede the operations of the officers of Government, that the public administration would be almost at a stand: to guard against such an evil, it would appear necessary that a power of removal should be vested somewhere, either in the executive government, or, if it could be done, in courts of justice.

99. Would it be necessary in that case to alter the law of property, in order to render it uniform both to natives and Europeans?—Not the law of property, I should think, which would always follow the law of the party sued in a court of justice.

100. Is not great inconvenience found to result from a rule which regulates the determination of suits by the law of the defendant, where the parties are of different nations or religions?—I am not aware of any practical inconvenience resulting from that rule: the laws of succession and inheritance of the Hindoo and the Mahomedan are so different from each other, and from the English law, that they must, it appears to me, exist separately; and I cannot conceive that we should be justified in refusing to either of the classes of our native subjects the succession to property according to that law which had governed it for so many centuries.

101. Supposing a case of contract, is there a difference in the systems of law?—There is; but it would be much more easy to assimilate the laws of contract, I should think, than those of succession. Indeed, questions of contract in the Company's Courts are generally decided on principles of equity and good conscience.

102. Supposing a case of cross suits, relating to the same subject-matter, would not there be a clashing of decisions?—I cannot exactly see how. I wish to add to a former answer, that one of the principal difficulties that would present itself to the entrusting natives with the administering of justice to any very great extent, singly, would arise from the character of the native code, which, containing many admirable principles of justice, and exhibiting the only rules by which we can be guided in assigning property in succession, and determining on rights of adoption

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and some other points, have mixed up with those subjects much that is so absurd or so unjust that no Christian tribunal could administer it as a whole. But it would seem difficult to prescribe a limit to a native judge in the administration of his own law, and decisions passed by him might be of such a character as would exceedingly embarrass a court of appeal in disposing of them. If natives were admitted to sit with European judges, and to a certain degree under their control, this evil might be sufficiently guarded against, while the native would be thus admitted to a more liberal participation in the administration of justice, and would acquire habits of mind from the European judges which would probably have an extensive influence on his character, and, through him, on those connected with him.

103. Since the natives do actually sit alone as judges in cases of small importance, is there any inconvenience found in those cases from the cause that you have last mentioned?—I believe not. Their jurisdiction has been hitherto considerably limited, not only in amount, but in the nature of the claims on which they were to adjudicate. They had greater jurisdiction in cases of personal than of real property.

104. You mean that the case has not been such as to involve in so great a degree the peculiarities of native law?—Generally not.

105. Might it not be possible to form some common course of instruction to which native judges, as well as European, should be subjected?—The native judges of the principal classes, who have the highest jurisdiction, have generally been well trained to a knowledge of their own laws, including the law of evidence and logic. This last is one of the branches of the study of every native lawyer, and certainly makes them acute and sharp reasoners, though it is no part of the avowed object of that study to lead to the satisfactory ascertainment of truth, but rather to the ingenious defence of the proposition to be maintained. I should think the course of common study referred to might be practicable, but the effect of such a system would not develope itself immediately, it would need the operation of time. I am far from thinking the native character incapable, though it stands in need, of improvement. I think very highly of the natives, as diligent, acute, laborious, and anxious to acquire knowledge, and I think the extent of even their moral attainment fully equal to what might be expected from the institutions and habits of their country; but I do not think that they are at present in a state to be employed in responsible judicial functions without the supervision of Europeans.

106. Have you had an opportunity of seeing how far there is a general confidence in the decisions of the Company's Courts?—I think there is a very general confidence in the integrity of the Company's judges, but not always in their skill. But there are among the Company's servants as many as under the circumstances could be expected, who have taken great pains in the acquirement both of general and of judicial knowledge. Still the circumstance that such qualifications are not examined into or required, and the frequent removals from one department of the public service to the other, have presented obstacles to the preparation of a sufficient number of persons to fill all the judicial situations existing at any of the presidencies, I believe; certainly under that of Madras.

107. Supposing a system formed for the instruction of the Company's judicial servants, should you contemplate it as a part of that system, that there should be a selection of persons for the judicial profession, according to the qualifications which they manifested?—I think there should; but as all the departments of the government must be filled out of the body of civil servants, it might occasionally occur, even under such a system, that a judicial office would require to be filled by one not so prepared. There would seem no objection to the employment of persons qualified for judicial office in the other departments of the service.

108. Do you mean that those persons under education, found unfit to be judges, should be promoted in other lines?—Persons whose turn of mind or inclinations would not lead them to qualify for judicial situations, might nevertheless be very valuable officers in other departments.

109. Could there be any plan by which you should have a larger number of persons, out of which to select those who were to be employed, than the number of judicial places to be filled; and if any such plan be possible, should it be carried into effect in this country or in India?—As the number of eligible persons is generally fully equal to the number of all the situations under the government, and as the judicial situations are not a very large portion of those appointments, I should think it would be practicable to qualify a sufficient number of civil servants

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at each presidency, out of whom to select for the higher judicial situations. The legal education of civil servants in England, before quitting the country, should be carried to a greater extent perhaps, by affording some immediate encouragement or reward to such as should apply themselves diligently to it. And if the proceedings, not only in the Sudder Adawlut, but in the superior provincial courts, were more open, if oral pleadings were admitted, and witnesses examined always by the judges of the court, as in our courts of justice in England, then, under the superintendence of well-selected judges in those courts, and with a gradation of appointment established from the inferior to the superior judicial situations, I should think a sufficient number of civil servants might be educated to fill the benches of the zillah courts, the provincial courts, and the Sudder Adawlut. There are now some excellent judges in the adawlut courts in India, but their qualifications have been the result of their own diligence, coupled generally with a long period of service limited to the judicial department, and that generally in compliance with their own wishes and desires.

110. Have you heard it suggested, or would that be expedient, if one judge of the Supreme Court sat as a member of the Sudder Adawlut; what would you think of such a suggestion?—I think it would be very desirable to have one English lawyer on the bench of the Sudder Adawlut, as well to administer justice according to the general and broad principles of our judicial regulations (which being grounded on rules originally proposed by an English judge, Sir Elijah Impey, would present no difficulties in their administration to such a person), as also to regulate and improve the practice of the courts subordinate to the Sudder Adawlut. But whether the judge of the Sudder Adawlut should also be a judge of the Supreme Court, is a question of doubt. Indeed, it appears to me that the existence of two concurrent jurisdictions, both called supreme, within the same limits, is an anomaly that is productive of very considerable inconvenience.

111. How far can those courts be considered as concurrent?—They are so far concurrent that cases have occurred in which opposite decisions have been come to by the Sudder Adawlut and the Supreme Court, on the same rights, supported by the same evidence.

112. In such case what has been the result; has it occasioned an appeal to this country?—A case to which I was particularly referring was one which occurred at Calcutta a good many years ago, and on some points of which an appeal is now unproceeded in, in England. A Hindoo claimed succession to some property, the greater portion of which was in the provinces. The suit came up by appeal before the Sudder Adawlut: the right claimed turned on the question of adoption: the Sudder Adawlut rejected the claim; the party obtained permission to appeal to the King in Council. Before the appeal was sent home he presented a petition, praying leave to withdraw the appeal, as he and his opponent had compromised. In consequence of this application the appeal was taken off the file of the Sudder Adawlut. A few months after he applied again for leave to revive his appeal, alleging that the deed of compromise had been extorted from him by the other party. The Sudder Adawlut referred to the zillah court through whom the deed of compromise had been transmitted, and learned from the judge of that court that the party had appeared before him, and had most satisfactorily stated the act to be voluntary on his part. Under these circumstances the Sudder Adawlut refused leave to revive the appeal. The party then indicted certain persons before the Supreme Court at Calcutta, for a conspiracy to extort from him the deed of compromise; they were convicted, and sentenced to fine, imprisonment and pillory. An appeal was made to England on the question whether the pillory could be legally a part of the sentence. The whole of the proceedings on the criminal trial were brought into the Sudder Adawlut by the petitioner, as a ground for the granting of a renewed petition that the appeal to England might be revived. Failing in his application, he brought an action of ejectment in the Supreme Court, for the recovery of a small portion of the property of the same estate, which happened to be within the jurisdiction of the Supreme Court. The same evidence which was produced in the Company's courts was diligently and minutely examined by the judges of the King's court. The judgments pronounced by each of the three judges were taken down, and formed the grounds of another application to the Sudder Adawlut for leave to appeal to England. The judgment of Sir William Burroughs, one of the puisne judges, coincided with that of the Sudder Adawlut; but those of Sir Henry Russell and Sir John Royds being opposed to his, the majority of the court decided in

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in favour of the claim to succession. The court of Sudder Adawlut, however, still adhering to their own view of the case, again refused to revive the appeal; and the point of appeal to England is, whether the Sudder Adawlut was justified in that refusal. The name of the plaintiff in that case was Rajah Moteelal Opadhia; and that of the defendant was Jagganath Gurg.

113. Have you considered the plan which has been proposed for the institution of legislative councils at the Indian presidencies; and if so, what is your opinion of it?—I have read the papers printed in the 5th Appendix to the Evidence that has been given before the House of Commons, but only hastily, and the subject is of too great magnitude to form a hasty judgment upon. It certainly appears to me that the combination of the knowledge and experience of English judges with those of the Indian governments, would afford the best hope of forming such laws as might be administered with advantage, especially in the event of Europeans being permitted to reside in India in any great numbers. The difficulties which have embarrassed both the courts and the government abroad have arisen in a very great degree from the looseness and imperfections of the statutes regarding India drawn in England; and it would appear impossible but that it should be so. But in order to make the system perfectly effective, it would be most desirable that a greater degree of interest should be excited in England in matters relating to Indian government, and that a more regular and constant acquaintance should be kept up by Parliament and the public authorities with the course of our administration in those extensive and important dominions.

114. Do you consider it is an essential part of such a plan that the Council should be composed partly of judges of the Supreme Court?—I think so, if the Supreme Court is still to continue under a separate authority from that from which the Government derive their power; if the law is to be administered to Europeans by a court which has but a limited jurisdiction over natives.

115. In what way can it be material to have those judges a part of the legislative council?—Because the differences which have occasionally arisen between the Company's government and the King's court are in a great degree traceable to the imperfection of the present state of legislation, to the want of clearness, precision, and fulness in the statutes relating to India. The admission of the King's judges to be parties in making new laws would, I have no doubt, prevent the recurrence of similar difficulties. I assume that the differences alluded to have arisen rather out of the difficulties which the judges of the Supreme Courts have met with in interpreting and acting under the law as it now exists, than from any wanton opposition to the government. If the laws were drawn by the two authorities together, the root of those causes of dissension would, I conceive, be removed.

116. Could the natives be consulted upon that subject?—I should think that natives might be consulted with great advantage, and that they should be so; but I do not think that they are at present in a state of sufficiently advanced mental cultivation to render it advisable to give them a vote in such an assembly. One of the greatest difficulties that we have to contend with in our dealings with the natives arises from their aptness to make use of the influence which they are supposed to acquire from frequent and near intercourse with Europeans in high authority, to attain undue objects of personal advantage; and to this end they too often misstate the quantum of their influence and authority. Or if a native employed in a high duty be himself exempt from this fault, he would not be exempt from the suspicion of it, and improper means would in all probability be resorted to by others connected with him to avail themselves unduly of the influence which he might be supposed to have. It is the difficulty arising from these circumstances that has frequently led many Company's servants of the highest integrity to avoid intercourse with the natives, lest they should subject themselves, or the persons whom they consulted, to the evil consequences to which I have alluded.

117. Do you confine that to Madras?—I believe it is general.

118. In what mode do you think the advice of natives could be obtained, short of giving them an actual vote in the legislative council?—By the most free communication, both in conversation and in writing; and by associating them with us in whatever duties are performed in public, and open to general scrutiny and examination.

Veneris, 16° *die Martii*, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

IV.
JUDICIAL.

Holt Mackenzie, Esq. called in; and Examined.

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119. WHAT is your opinion generally of the character and qualifications of the native judges, both Hindoos and Moslems?—I believe that those who in Bengal are called Sudder Aumeens (literally, head referees), being the highest class of native judges, and who get a salary varying from 150 to 240 rupees a month, are in general very respectable, and that they are accordingly well esteemed by the judicial officers under whom they act.

120. State in what courts they exercise jurisdiction, if you please?—They have cutcheries or courts of their own, but are established at the places where an European officer is stationed; and they have authority only to try cases that are referred to them by the European judge, either original suits, or appeals from decisions passed by the inferior native judges. These, most of whom are stationed in the interior of the districts, with jurisdictions ordinarily corresponding in extent with the police subdivisions, and with original cognizance of suits of a certain amount or value, in which the parties are natives, are called Moonsiffs. They receive no salaries, but are paid the amount of the stamp duty taken in lieu of the institution fees on the suits decided by them. In many places they are very wretchedly paid, and are, I believe, exceedingly bad judges.

121. These are all under the zillah courts?—Yes. The civil courts of a district are as follow: 1st, The Moonsiffs, whose number varies greatly, averaging about 14 in the Lower, and nine in the Western Provinces: they have original jurisdiction to the extent of 15 *l.* in cases wherein both parties are natives; and from their decisions an appeal of right lies to the district court. 2dly, The Sudder Aumeens, for the trial of cases referred to them by the district judge; of these there are never less than two in a district, the situation belonging, *ex officio*, to the mooftee and pundit (the Moslem and Hindoo law officers or assessors) of the district court; and others are appointed according to the wants of the service; several districts having in all five: their jurisdiction extends to suits of 100 *l.* From their decision there is an appeal of right in all cases decided by them in the first instance. From decisions passed by them in cases of appeal from the moonsiffs, there is what is called a special appeal, which the judge may and ought to reject, if not satisfied that there are special grounds for revising the aumeen's judgment. 3dly, The Court of the Register, whose ordinary authority is confined to the trial, on reference by the district judge, of original suits not exceeding 50 *l.* in amount or value, with an appeal of right to the judge; some registers being vested with special powers, to whom the judge may refer original cases exceeding 50 *l.*, and also appeals from the decisions of the native judges. Lastly, the District (zillah or city) Court, the judge of which has original cognizance of all cases not exceeding 1,000 *l.*, with an appeal of right to the provincial court in cases tried by him in the first instance; a special appeal lying from decisions passed by him, or appeals from the courts of moonsiffs, sudder aumeens or registers. There is usually only one register in a district sitting at the same station with the judge; but in some large and populous districts additional registers have been appointed, who hold their courts at places distinct from the head station of the district, being also joint magistrates. All the officers I have mentioned are paid salaries excepting the moonsiffs, whose remuneration consists in the amount of the stamp duty taken in lieu of the institution fee, in suits decided by them.

122. There are no fees in those courts, except stamp duties?—There are no fees allowed to any of the officers of the courts; and the government fees on the institution of suits and appeals, on the filing of exhibits, on the summoning of witnesses, on pleadings and petitions, and copies of papers (the first only is chargeable in the moonsiffs' court), are all levied in the form of stamp duties, as settled by Regulation I. of 1814. But the vakeels, or native pleaders, who are not properly officers of the court, though appointed by the judges, are remunerated by fees deposited by the parties in court, the amount of which is regulated by a government regulation, and varies according to the amount or value of the thing in suit.

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123. Those fees are all regulated?—Yes, they are all regulated.

124. With respect to these Sudder Aumeens, when you say they are respectable, did you speak of their judicial qualifications as well as of their private characters?—I believe there is no want of talent among them.

125. In point of knowledge of their own law, they are well versed and expert?—I imagine so, generally. The Mooftees or Moslem law officers are usually reckoned men of learning, and well versed in their law, as the pundits are in theirs. But the number of cases turning upon points of inheritance or other questions, in deciding which our courts are guided by the dogmas of the Hindoo or Moslem codes, are comparatively few; and in cases of ordinary contract, they commonly decide according to their notions of what is equitable, with such reference only to local law and usage as may be necessary to ascertain the meaning of the parties entering into the agreement.

126. Will you state whether you conceive that their ideas of equity, according to which they interpret contracts, are founded upon just principles; whether the principles of judicature are good in these cases?—I believe that their decisions are generally good, at least as good as most of those of the European judges above them; but I am not myself qualified to estimate a very high standard of judicial excellence; and I do not of course mean to compare these men with the more accomplished judges of this country; but as far as I can judge, I believe many of them to be very capable of sifting and judging of evidence, so as to reach the facts of the cases tried by them, and of applying correctly just principles. This opinion I hold particularly in regard to the Moslem law officers, whom I have known, and whom I regard not only as men of learning, but of acute and logical intellects, well adapted to the administration of judicial affairs. The Pundits or Hindoo law officers, of whom however I know less, though often learned men, are generally more recluse, and are said to be wanting in knowledge of the world; and independently of those who are considered to belong to the learned classes, numbers of natives, both Hindoo and Moslem, are to be found with much talent and great aptitude for business.

127. You state that the moonsiffs, who are all ill paid, are indifferent judges, and you seem to think the sudder aumeens better judges, who are respectably paid; how far do you conceive that the raising of the emoluments of the moonsiffs would be the means of their qualifications being improved?—I think that by raising the salary you could command any amount of talent you chose. Of the present moonsiffs, indeed, I believe many are men who could not be much improved by any change; but, doubtless, there are among them some men of talent; and if all native judges were put, in point of emolument, on the footing of the sudder aumeens, or had the prospect of becoming so, I conceive that you could immediately obtain for all the courts required, judges with qualifications equal to those which you now have in the sudder aumeens; and it also appears to me, that by holding out the prospect of certain promotion as the consequence of merit, and by facilitating education, you might soon get still higher qualifications.

128. Will you state more particularly any new way that you consider will facilitate the education of these persons?—Already a good deal has been done by government. In the colleges at Calcutta especially, the system of education has been much improved. Besides their own learning, many of the students are now attending to English: mathematics particularly are cultivated; and there is a gradually extending acquisition of general knowledge. By pursuing the system, by establishing more seminaries under proper superintendence, by supplying instructive books, and especially by promoting the acquisition of the English language and science, we may soon give to the educated classes more enlarged notions, notions that will certainly fit them better for communicating and co-operating with us. But of all the means that government can use for promoting the education of the people, and their progress in knowledge and morals, none I conceive will be so effectual as the distribution of public patronage, so as to hold out a fair prospect of promotion to liberal rank, and emolument to those who show themselves superior men.

129. At this moment what are the means of education for these native judges, and especially the sudder aumeens?—For the Moslems there is the Mudrissa or College at Calcutta, in which law and all branches of Mahomedan learning have long been taught; and, more recently established, there are academies at Agra and at Delhi, where both Mussulmen and Hindoos receive a more popular education. The Hindoo law is taught in government colleges at Calcutta and Benares. The students who are admitted on the foundation of the government colleges are selected

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on a competition of candidates; and most of them, after passing through the prescribed course of study at those institutions, obtain certificates that they have acquired such a knowledge of law as to qualify them for the situation of law officers in any of the established courts; to which, if appointed, they become, as I have mentioned, *ex officio*, sudder aumeens. A similar testimonial is required from all candidates for the situation of law officer, wheresoever educated. The other sudder aumeens and the moonsiffs are appointed on a general report of their being qualified for the trust; and for both classes there exist, independently of government institutions, various means of education common to Hindoos and Mahomedans, more or less efficient. There are schools of which the masters live by the fees of their scholars, as in this country. Teachers entertained by individuals usually instruct the children of neighbours; and throughout the country, almost every man noted for learning is himself an instructor of youth. I do not remember hearing of any celebrated doctor or pundit who had not young men waiting upon them as pupils, and learning the law and other sciences at their feet. In this way a great many young men are educated in almost every district; but it is not easy to say the precise extent to which instruction is thus conveyed.

130. Do the pupils pay the teacher?—Not generally for instruction of a highly learned character. Those who teach merely Persian or Hindee either take fees from their scholars, or are paid by the heads of the families in which they are employed. But men at all celebrated for learning, and indeed most of the instructors in Arabic and Sanscrit, usually give tuition gratis; often, indeed, feeding and clothing their pupils; and at the government institutions there are a considerable number of students who get a small allowance for their support, it having always been the practice of native colleges, that the student should not pay but be supported. The habits of the people being very moderate, a few shillings suffice for the support of a student. The rank and reputation of a man of learning are promoted by his having many pupils; and both masters and scholars in many cases get presents on occasions of solemnity; it being indeed no disgrace to a poor student to beg.

131. These pupils, then, are not of use to their teachers as they advance?—I never heard that they were of any use. The men of learning who gather pupils about them look more to the reputation of the thing than to anything else.

132. Perhaps in that way promoting their employment?—Chiefly in promoting their rank in society.

133. Now with respect to the allowance in the Government College, is that allowance made by government?—Yes. A part of the general fund is appropriated to the support of a certain number of students. It has been an object with us latterly to encourage the attendance of students who are willing to attend, without pay, for the sake of learning; but with reference to the usages of the people, the change could only be made gradually. I do not doubt that before long all such allowances may cease.

134. Then you think it probable that the value in which tuition will be held will give it a price?—Certainly, if the government hold out the prospect of promotion and tolerably well paid offices as the probable reward of merit.

135. Do the teachers who engage in this private tuition preserve the same system of law and practice, or is any inconvenience found by the private tuition being in separate hands?—I believe the tuition is generally far inferior to what the government institutions give, being less regularly pursued; but the course of legal study is, I believe, so prescribed as to prevent any essential diversity of system, excepting what arises out of difference of sect among the Moslems, and the prevalence, locally, of different rules among the Hindoos, which does not, I apprehend, practically operate to occasion any difficulty.

136. Do you conceive on the whole, by a more extended means of education, by acting on the principle of competition, and by giving better pay to the inferior judges, that great improvement could be made in those judges and in the efficiency of the law?—I should think a very great improvement indeed might be made in the efficiency of the law, and especially in the qualifications of the lower order of judges, by a sufficient increase of pay, so as to make their office respectable, instead of being, as now, miserably paid and little esteemed.

137. Describe more particularly the mode in which these persons are appointed to the situations of sudder aumeen or moonsiff.—At present they are generally appointed on the recommendation of the judge of the court, who reports their sufficiency.

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138. Is it merely by the certificate of the European judge that they are appointed?—For law officers a prescribed certificate, granted after examination by a committee appointed for the purpose, is required, as evidence of their knowledge of law. Their other qualifications are taken on the report of the judge; and in respect to native judges, not law officers, their appointment depends wholly upon the recommendation of the officers who nominate them, in regard to character and qualification. Even the certificates granted on examination, like the title of doctor assumed or allowed by the common voice, can be taken to prove no more than that the man has studied certain books, and read much and long: how far he may have used that reading is another question; and there being no competition, the appointment of all may be said to rest entirely upon the recommendation of the nominating judges.

139. Could means be found to bring into a more accurate test the qualifications of these persons before they are employed?—I think the best test, and which might be gradually employed, would be found in requiring all the men who look to the office of native judge to commence as pleaders. Already the government colleges grant to students certificates which entitle them to act as pleaders; and gradually, I should think, we could, by requiring similar testimonials from all candidates for that situation, get the native bar filled by men of education, who should also be selected as executive officers of the courts. Then if from the best of them the native judges were selected, and if at the same time a gradation in rank and pay were established among the native judges of each district, a very effectual system of competition would result. My notion is, that for an average-sized district twelve native judges would suffice, and that with a gradation of from 100 rupees to 500 rupees a month, those twelve, all being men suitably qualified, might be obtained for about the sum that is now paid to one English district judge, that is to say, 30,000 rupees a year. And I conceive that the native judges should in the first instance be chosen from among the vakeels; and then that their promotion from the lower to the higher rank should be made to depend on the mode on which they discharged their duty, especial reference being had to their good character, to the number of suits decided by them, and the fewness of the appeals from them. No other test or means of competition so effectual occurs to me; but of course the first step must be to have well educated men for vakeels.

140. Are the native judges ever now selected from the vakeels?—I believe very few; but I cannot speak with certainty. I never heard of a law officer who had been previously a vakeel; and indeed the situation of pleader has not hitherto been considered a respectable one, except in the highest courts. In the inferior courts, even in that of the district judge, it is not reckoned a desirable profession. In the Sudder Dewanny Adawlut, or chief court at Calcutta, some of the vakeels with whom I was acquainted had large emoluments, and were men of great respectability and talent; and I believe that in the provincial courts the vakeels are frequently very respectable men; but below that they are not generally esteemed at all as they ought to be, considering the importance of a good bar to the administration of justice.

141. Those officers have a per-centage upon the value of the causes, have they not?—Yes.

142. That is settled by the regulation of the office?—Yes.

143. The amount of the fees is paid into court at the institution of the suit?—Yes, before the pleader does any act for his client.

144. You say that all those native judges would act for about the same salary that is given to one European judge; do you conceive that it would be possible, by taking proper means for the purpose, much more extensively to supersede the use of European by Native judges than is the present practice?—I think that several of the present judges might be dispensed with immediately, if, as I conceive to be reasonable, the native judges were vested with the primary jurisdiction of all cases, and if the labours of the European judges were directed to the object of causing justice to be done, not wasted in the attempt to do it directly. It appears to be necessary that there should be an appeal to the European judge; but the necessity of his investigating such cases might often be obviated by his referring them back for a new trial, either to the judge who originally decided them, or to two or more of the other native judges of the district. And the main business of the European officers being to see that there is not a failure of justice through the neglect or corruption of the natives, their interference in the individual cases should be limited to what is necessary for that purpose. Were this principle followed, I have no doubt there might be a great saving of expense with a more efficient administration

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administration of justice; and indeed, even if the present law were enforced to its full extent, and if the zillah judges took cognizance of such causes only as from their amount they must try, the judicial business of the country might, I believe, be done with fewer of them, or at least more business be done with increase of numbers. It is not, indeed, easy to say what would be the effect on litigation of an improved system. It might increase greatly for a time, if the present system operates to quash just claims, but would in all likelihood afterwards subside; and of course if, by any plan, the same number of judges are enabled to render to the public a greater sum of justice, while the demand for justice remains, it is the same thing as if the work now done were accomplished by fewer judges, in so far at least as concerns the relation of the establishment entertained to the duty to be executed.

145. Have you formed any calculation what would be the difference upon the whole in the event of introducing native judges to the extent to which it now appears practicable?—The best judgment I have been able to form is stated in a letter addressed to the Governor-General in Council, by the Finance Committee in Bengal, dated in July 1830, to which a schedule is annexed, showing that a very considerable expense might be saved. The great object, however, really is to prevent an increase of expense, everybody acknowledging that at present in Bengal the administration of civil justice is extremely bad, and quite inadequate to the just expectations of the people. The European courts are overloaded with arrears, the delay in them is excessive; and, to say nothing of other evils, the large arrear of appealed cases holds out a temptation to litigious appellants that seriously clogs the whole course of justice. This is the more felt from the circumstance that the highest interest adjudged, viz. 12 per cent., is much below what needy natives are frequently in the habit of paying; so that a postponement of payment is a great object, even when ultimate resistance is hopeless. And on the whole, it may, I believe, be certainly assumed, in so far as Bengal is concerned, that some change is absolutely necessary in order to get through the existing business without an increase of establishment. It may be proper to mention, that in the plan submitted by the Finance Committee, to which I have referred, the following arrangements also were contemplated: First, The separation of the charge of the police from the duty of trying and deciding criminal as well as civil cases. Secondly, The union of the charge of the police with the management of the land revenue. Thirdly, The abolition of the registers' courts, and of the provincial courts of appeal, which are intermediate between the zillah judges and the Sudder Dewanny Adawlut. For fuller explanation of the scheme, I would beg leave to refer to the Committee's Report, and the Minutes by its members subsequently submitted. For the civil courts, the main principle was to give the primary jurisdiction to natives, to make the zillah and city judges of appeal, and to have only one superior court of appellate jurisdiction, for the maintenance of general principles and the trial of special cases.

146. The present court of appeal from the zillah court is the provincial judge?—Yes, and from the provincial court to the Sudder Dewanny Adawlut; the principle being to allow one appeal as of right, and one special appeal, upon due cause being shown, to the superior court.

147. Now, looking at the increased employment of the natives in judicial departments, have you ever considered how far a change would answer gradually in the case of a considerable increase in the number of Europeans settled in the interior?—I do not think that there ought to be any serious difficulty in giving to the natives at the head station the power of deciding causes in which Europeans are concerned, even supposing them to be more numerous than appears probable.

148. The question is, supposing the Europeans are made subject to it?—I mean so; and I conceive that the apprehension of difficulty rests on prejudices that would soon pass away, if the native judges were placed on a proper footing, and the English district judge confined to his proper functions. For a time, probably, it might be necessary for the native judges, in issuing out process, to apply to the English judge to back their warrants, and otherwise to seek his support. But that cannot be deemed a very serious difficulty; and the necessity would, I doubt not, gradually cease, or become of very rare occurrence. Under a properly organized system, European settlers would generally, I conceive, soon become reconciled to being subject to local tribunals; and unless the English judge were inefficient, even those who entertain most strongly the notions that arise out of an exclusive system, would see the necessity of submitting, and would submit, and I believe that respectable and well paid natives would decide fairly.

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149. Would it not render a greater number of tribunals necessary?—Only I should think if the Europeans were in such numbers as to change the current of business. If they add much to the commerce of the country, the necessity of such tribunals would probably arise out of their settlement, not otherwise.

150. Did I understand you rightly, that you think the necessity of having provincial courts would be done away with?—Yes, I think they might be done away with altogether. I consider them to be bad courts at present; they are in general filled by men in no respect superior, perhaps inferior, to the district judges over whom they are placed, and their decisions are of no value as guides to those judges.

151. You would then contemplate the existence of an European judge in each district?—Yes, but not precisely the same number as at present. The immediate reduction we contemplated is not however so great as may, I conceive, be ultimately effected; for, in proportion as the natives improve and acquire rank and self-confidence, the number of English judges may be gradually reduced. If I remember rightly, the Committee proposed 41 instead of 52.

152. Are there not European officers assistants or secretaries to the district judges?—A register forms part of the establishment of every court. Those officers who are covenanted civil servants of the Company, were originally ranked among the executive officers of the courts, being also employed to register deeds; but practically their main duty is that of assistant judges, to decide cases referred to them by the judges, either civil suits or complaints of minor criminal offences; and the proposal to abolish the office was founded on the persuasion that the employment of such young men as judges in lieu of the natives, is a bad plan, expensive and inefficient.

153. As to the appointment of the vakeels, they are appointed by government, I believe?—The vakeels of the sudder and provincial courts are appointed by the judges of those courts. Those of the district and subordinate courts used to be appointed on the nomination of the district judges; and though it was prescribed that a preference should be given to persons educated at the government colleges, the selection practically rested on the discretion of the judges. But in 1826 (by Regulation II. of that year), a rule was passed, that native students, in any of the public institutions, who shall receive a certificate of proficiency in the laws and regulations, and of good character, shall, in virtue of it, be admitted to practise in any of the zillah or city courts they may apply to, unless there be special reasons to the contrary, as stated in the regulation I have mentioned. I am not sure, however, how far it has been practically acted upon. I should also state, that among the vakeels there is one called the government pleader, who is employed in all suits in which the government is a party, and whose appointment to that office rests with the government.

154. I would ask whether the moonsiffs are ever appointed from the vakeels?—I believe very seldom.

155. Are the vakeels of a lower class of society than the moonsiffs?—Not generally; but the rank of both is of various degrees.

156. Do the judges of the provincial courts go the circuits for the trial of criminal cases?—Not at present. The circuit duties are now vested in certain officers, called Commissioners of Revenue and Circuit.

157. In the new system, should you propose to continue that, or make the zillah judge go the circuit?—I should make the zillah judge do the duty.

158. And remove altogether that jurisdiction?—Yes, and have a separate superintendence of the revenue.

159. How far does the public voice among the natives appear to call for the increased appointment of natives in official situations?—I believe the public voice is upon the whole favourable to European judges; and that, taking the native community generally throughout the country, they would prefer not increasing the power of the native judges to the exclusion of the European courts. This conclusion I come to, from the distrust with which they generally regard their own countrymen. It must however be acknowledged to be exceedingly difficult to ascertain the native opinion upon any point of that nature. Indeed, upon all points they are too ready, when communicating with those in authority, to say what they think will be received with pleasure. But my impression as to the view they take of the measure of vesting their countrymen with enlarged authority, was confirmed by what I heard after it was known that I was strongly in favour of it. I should observe that I do not think they ever look to the financial part of the question. If they had to decide whether they would directly pay for the one or the other, it

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would be different; but I do not conceive that even the well-informed regard the financial arrangements of government as a matter of any interest to themselves, unless when some precise demand comes upon them. At least, I never knew a native who seemed to regard the expenditure of the public money as an evil, though impatient enough of any demands arising out of such expenditure that disturb their own interests; and therefore I conceive, that in preferring European judges, the consideration of the saving to be effected by the opposite course would never cross their minds; they would think simply having one man they could trust more than another.

160. Do you think they have no feelings of anger, from the exclusion of the natives?—I do not think the general body have, though individuals may entertain the sentiment; and I have no doubt that those who are candidates for office look with very great anxiety to any extension of their means of lucrative employment. Indeed, I know they do, having communicated with many such, who all appeared to be exceedingly anxious for the change; and of course those in new countries, who or whose families have actually lost power, and who retain the recollection of the loss, must be discontented in consequence. But it is to the great body of the people I refer, when speaking of the public voice; and I think that, as far as the Bengal Presidency is in question, the public voice is in favour of employing Europeans, and condemns them when they rely much upon natives.

161. Can you suppose an altered system would secure a better adjudication; is there any reason why a favourable effect should not be produced upon the native opinion by that?—I have no doubt the native opinion would change, when they saw their countrymen, with rank and emolument, administering justice well; they would certainly recognise the advantage of it; but at present they consider them as what they have been under different circumstances; and, generally speaking, the feeling of patriotism is almost unknown to a native, he seldom looks beyond his own village.

162. Is there no national feeling?—I believe there is in some cases. Where particular tribes prevail, they have a feeling for their tribe that may be called national. Thus, for instance, I have no doubt that among the Rohillas there exists a strong national feeling. Probably, too, a national feeling more or less strong pervades the Mahrattas; but I am not at all acquainted with them. I do not think the people of Bengal Proper have any national feeling. The Moslems, indeed, generally have a religious feeling that must operate against our rule more or less strongly; but this, which is not I think very strong among the Bengalese, cannot properly be called national; and the religious feelings of the Hindoos do not seem to me much to affect the question, where caste has not given power or wealth. With respect to the feelings of natives on the subject of public employment, I should add perhaps, that I believe many of the higher natives of Calcutta do complain of the exclusion of their countrymen from lucrative situations, and would be gratified by their admission; but they seem to speak rather from the feelings that have been instilled into them by communication with us, than from those which belong to the great body of their countrymen; at the same time, it appears to be impossible to doubt that such feelings must gain currency and strength with the progress of education, and with the consciousness of rights, which the possession of a good government will give.

163. There has been a vast change?—Certainly; the change that has occurred in Calcutta is very great, and although doubtful whether substitution of natives for Europeans would be popular at the present moment, I have no doubt that to a great extent it is right.

164. How far is the principle of promotion according to merit among the native judges now acted upon?—I believe little, if at all; at least I am not aware of any native judge being promoted, excepting a few instances, in which the law officers of the Sudder Dewanny Adawlut may have been selected from those of the inferior courts.

165. Is there any reason for excluding from judicial offices of any eminence the mixed race between the Europeans and the natives?—I think they ought to be considered as natives of the country.

166. They are now excluded from all these situations?—They may be sudder aumeens, and I think they ought not to be excluded from any situation to which natives may be admitted; but I do not think they should be treated as Europeans, or rather I should say, the principle ought to be, to have no more English gentlemen deputed from England than are absolutely necessary to maintain the dominion

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of England, and that all situations not reserved upon that principle should be open to all classes equally. I think that, for the present at least, the English judges must be men deputed from this country.

167. Both in the lower and in the higher courts?—In the zillah and city courts, and in the sudder courts; and all other courts should be equally open to all classes, whether Europeans or Natives, Christians, Hindoos or Moslems.

168. Do you mean to say by your former answer, that the reputation of the European judge is very considerable among the natives?—In point of honesty it is, I believe, exceedingly good.

169. Is not their confidence in the court greatly shaken in consequence of the junction of the police?—I think that operates only in so far as it occasions delay; it does not seem to be regarded as a cause of bad judgment; it sometimes occasions hasty decisions, and thus aggravates the inequality of judges; and of course the judges are very unequal; and among so many there are some with qualifications quite below what ought to be required for the office. Their decisions are, many of them, exceedingly bad; but there is hardly any instance in which personal corruption in the judge is suspected as the cause of misdecision.

170. Have you ever framed any plan for a general judicial system over India, in which the functions now exercised by the supreme courts should be blended with those exercised by the country courts?—No, I have never formed any plan of that kind.

171. What is your idea of it?—I do not imagine that I could add anything to what is stated in the discussion between the Bengal government and the Supreme Court of Calcutta, of which the papers have been printed.

172. In what Appendix?—In the Appendix, No. V. dated 11th Oct. 1831; and I can only add, that there do not occur to me any serious obstacles in the way of having one Supreme Court, consisting partly of gentlemen who may have practised in courts at home, and partly of those who have risen in the judicial service of the country, to take the place of the present King's Court, and of the Sudder Dewanny and Nizamut Adawlut.

173. How far would it be possible to have an English bar in India from which you could select judges for the country courts?—I do not immediately see how it could be arranged; for the question involves a great variety of considerations. But it would, I think, be very advantageous if it could be so managed (and with one Supreme Court constituted as suggested, with a careful adaptation to local circumstances, it might probably be found practicable), that a portion at least of those who are destined to be judges should practise as barristers.

174. Do you conceive it to be necessary that more care should be taken than is taken under the present system, for qualifying the Europeans who are employed in the country courts as judges?—I think certainly it should be so; it is quite monstrous that the appointments should be made with no better securities for due qualification; it is wonderful that they have done so well as they have.

175. Would you have any system of education or examination for them?—I think that no man appointed to be employed in the civil administration of India should leave this country until he is about two-and-twenty years of age; that all should be required to have an education suited to the high functions for which alone it seems reasonable to depute officers from this country; that consequently, among other things, they should have a liberal law education, by which I mean, that they should be acquainted with the general principles of law and the systems that have prevailed in different countries, in such a manner as a well-educated English gentleman destined for public life would, I presume, be. Their possession of the required qualifications would of course be ascertained by an examination. To this, I would add the making of the appointment, if possible, by some system of competition, so as to be sure of the selection of the best out of many good men. Whether such a plan could be practically brought to bear, I cannot venture positively to say. It was, I believe, partially followed by Mr. Wynn; and if his plan had been carried further, I see no reason to doubt its success. England appears to be full of talent highly cultivated, and struggling with the difficulty of getting employment. I should think, therefore, that for high office in India, you might require, and could easily obtain, almost any amount of qualification.

176. What was Mr. Wynn's plan?—It was, I believe, merely giving a certain number of appointments to the public schools and universities, in order that they might appoint those who were most eminent.

177. Would you apply that principle to exacting legal qualification, or do you

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speak merely of general education?—Among other qualifications, I should require legal knowledge, not technical skill, but a liberal acquaintance with law.

178. Have you known that the degree of elementary instruction that is acquired at Haileybury in the principles of the law has been of any use or otherwise in India? —As far as I have seen, no perceptible result has followed from the legal instruction there given; and though I dare say it has been of use, it must, I imagine, have been very slight.

179. Do you conceive, that if you had an unlimited number of candidates in this country out of which the requisite number of appointments should be made, or do you mean, having a good number of appointments, means should be taken to qualify or to have persons appointed as well qualified as possible?—I think the more you have to select out of the better. The best of all would be a general competition of the whole body of educated Englishmen who might desire the appointment. Next to that is a selection out of a body which, though limited, considerably exceeds the number to be selected. It was, I believe, proposed by the professors at Haileybury, that the Court of Directors should send to that institution twice as many as were to be appointed as civil servants to India, and that the best half should be selected for the appointments. That would have been a great improvement; but I think it would be better to follow Mr. Wynn's plan, and select from among the competitors of a still larger body.

180. By Mr. Wynn's plan, do you mean the plan proposed by Lord Grenville, of selecting the writers from the public schools and universities?—Yes. I have called it Mr. Wynn's, because he acted upon it in regard to some of the appointments that were at his disposal when he was President of the Board of Control.

181. In so far as the judicial appointments go, do you not conceive that more practical knowledge would be required than is to be obtained by individuals appointed from the University; there it would be theory, the other would be practice?—You must, I think, be content with giving theoretical knowledge in this country. And it is not merely judges that are to be provided; nor can Indian judges be generally fit for their business without local experience, and that an experience in affairs not strictly judicial. My notion is, that the civil servants should still, in the first instance, be employed as assistants to the magistrates and collectors or political agents; that in that capacity they might acquire a familiar command of the language, and a knowledge of the notions, habits and institutions of the natives, and become practically acquainted with the system and principles on which the business of the country is conducted. Those who were not disposed to pursue the judicial line might be otherwise employed. But it is chiefly for judicial duties, or administrative functions partaking largely of the judicial character, that provision must be made; and if, without sacrificing the more important objects of general experience and knowledge of the people, it were practicable to establish the plan of a local bar, at which persons destined to be judges should practise during a part at least of their preparatory course, it would, I think, be a great improvement. I am not sure whether any such thing could be managed, but it is very desirable that it should be kept in view.

182. In contemplating the new arrangement of the courts in Asia, did you contemplate the junction of the Sudder Courts with the Supreme Courts?—That was one of the measures contemplated by the Bengal government; but it does not seem to be a necessary part of the proposed arrangement of courts for the provinces. The constitution of the inferior courts might be changed as suggested, without any change of that kind in the Sudder. But the junction of the Sudder and Supreme Court would, I conceive, be an improvement.

183. Supposing the junction were to take place, and that was made the agreement merely in appealing, do you not conceive that there would be so much business attracted to that court that you might select a great number of inferior judges from the bar of that court?—I think it might probably be done; but I should observe, that the plan appears to imply that all the courts shall have a code for themselves, that they shall not be bound by English law further than may be distinctly provided on a full view of local circumstances, and that its mere technicalities, especially those which attach to landed property, shall be got rid of. It seems unreasonable to extend the law of real property to that country; and although I cannot of course pretend to give an opinion of any value on such a subject, I must acknowledge that I cannot see why there should be any serious difficulty in giving to India a code of laws to be administered equally by Native and English judges.

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184. In such a case, would you allow a free resort of Englishmen and Natives to practise in such a court; at present they are appointed by government?—I should be for permitting perfect freedom in the access to the bar.

185. With respect to the plan of selecting writers from the public schools and universities, who should afterwards fill judicial situations in India, do you not conceive it to form some objection, that in no public school are the principles of law taught, and at neither of the universities does the law form any part of the ordinary academical system of instruction?—I do not think that a serious objection; I have no doubt that knowledge of law would be had, if a prize were held out for it.

186. Do you mean to say, that if a certain legal qualification were required, and the candidate were to be left to find that qualification where he could, so that he answered the test, that every purpose would be fulfilled?—Yes, I have no doubt that candidates would be found with the required qualification. The knowledge of law, not the result of practice, is, I imagine, chiefly acquired by the means of private study.

187. Do you know whether the profits that an English barrister could make in the courts would be sufficient to create a bar there; how would that be?—The profits to a certain number of the barristers of the Supreme Court are very large; and those also of some of the native pleaders in the Sudder Courts are liberal; but I cannot answer the question with precision, and the circumstances would be different.

188. How would a mixed bar practically unite?—The two bars, as now constituted, could not at all amalgamate, and I conceive it would be absolutely necessary, if the courts were united, that all their proceedings should be in English; for I do not see how you could have a united court so long as any of the proceedings, any part at least of the oral pleadings, were in Persian. And for a long time natives could probably be virtually excluded from the bar of the united court. Ultimately, however, I do not doubt that they would, if allowed, take their part, and the plan, if at all adopted, should be extended gradually.

189. Are the civil suits in the native courts expensive to the suitors?—I believe generally so.

190. From what cause?—The fees are heavy in proportion to the amount, as appears from a statement which was furnished to me from the Sudder when I had occasion to inquire into the point in Calcutta; and there are, besides, expenses of which we have no record. The statement is in Persian; but if the Committee wish it, I shall hereafter have the honour of giving in a translation of it. In the meantime, I may mention the first case. It is a suit for 155 begahs of land valued at 930 rupees. It passed through three courts, and the stated costs were about 670 rupees.

191. Will you state what the courts are?—The first is the Zillah Court, in which the costs of the plaintiff are stated at rupees $194\frac{5}{16}$, and those of the defendant at rupees $90\frac{6}{16}$. The second is the Provincial Court of Appeal, in which the costs of the appellant and respondent are respectively rupees $102\frac{8}{16}$ and $52\frac{8}{16}$. The last is the Sudder Dewanny Adawlut, in which the costs are stated at rupees $128\frac{8}{16}$ for the appellant, and rupees $102\frac{8}{16}$ for the respondent.

192. In the paper alluded to, is there any cause in which there is more than two appeals?—No, there are only two appeals.

193. As the courts are now constituted in Asia, could there be in any one case more than two appeals?—I apprehend not, at least in Bengal, where only suits exceeding 5,000 *l.* are appealable to the King in Council.

194. What is the ultimate course of the appeal in those causes which are instituted in the courts below the zillah courts?—The provincial courts, if the first appeal has been decided by the zillah judge.

195. Supposing a cause to be instituted in the moonsiffs' court, is the appeal from that court immediately to the zillah court?—The appeal is to the zillah judge; but he has the power of referring it to the Sudder Aumeen, and then from the decision of that officer there will be only a special appeal to him. If he tries it himself in the first instance, then there will be a special appeal to the court above him.

196. Are there appeals frequently in causes that are instituted in the lower courts?—As far as I remember the result of inquiries regarding some of the districts in the vicinity of Calcutta, the appeals from the Moonsiffs were about one in twenty, and those from the Sudder Aumeens about one in seven.

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197. Can you state what proportion to the zillah courts?—I do not immediately remember.

198. Have you any documents which would give you that with regard to the zillah or provincial courts?—No; but I think the information will be found in the records of the judicial department.

199. Is there not a good deal of corruption practised by the natives in the courts, the native officers, by whom the summonses, for instance, are issued, and by whom the causes are appointed to come on in rotation?—It is supposed generally that there is considerable corruption; but I should think it must chiefly prevail in regard to the execution of decrees and other process. Many decrees are passed which are never executed, either from the party disappearing or making away with their property; and in the executive part of the court's business a considerable opening is given for corruption.

200. Do you not conceive the native officers of the courts are very accessible to bribery?—I believe so, unless they are well controlled by their superiors.

201. Are not these native officers appointed by the individual judge?—Yes, vacancies are filled up by or on the nomination of the judges.

202. Is it customary for him to take persons from a distance and place them in those situations?—I do not think that such is the general custom; though much depends on the will of the individual. Many judges are averse to strangers, and I believe, make it a point as far as possible to select for vacancies men of the province in which they are. Others pursue an opposite course, and I am afraid, sometimes unduly favour men that follow them.

203. Should you recommend the use of juries in the country courts?—I think it very desirable, if possible, to get the natives to assist in the administration of justice on the principle of jurors; but in the first instance, at least, it should be done in the way which is prescribed by the Bombay Regulation IV. of 1827, which leaves it optional with the judge to employ the natives as jurors, assessors or referees, without at once going the length of giving them a definitive voice.

204. Have you witnessed the experiment of the punchayet?—No, I have never witnessed it.

205. What is your opinion as to the success of the experiments that have been tried?—I believe it has very much failed, when it has been adopted as a substitute for regular courts of justice.

206. From what cause has it failed?—Chiefly, I think, from this, that the members have been neither supported nor directed nor controlled, but have been left to all their native irregularity, and not properly made a part of our judicial system; still, however, I believe that it has been very extensively used to settle matters that have never come within the cognizance of any of our courts.

207. How far is the punchayet analogous to the English jury?—It can scarcely in its native shape be said to bear any distinct analogy to a jury, being, in fact, merely a body of men to whom a cause is generally referred. They are not bound to decide; there is no issue given to them to try; they are under no direction, and are left to scramble out of their case as they best can.

208. They perform the functions both of judge and jury?—They are rather arbitrators, being, in cases of dispute between individuals, usually, I believe, nominated by the parties; and they very often, I have understood, act quite as partisans of the party that has selected them.

209. Are they sworn in any way?—No.

210. What is the general number?—I believe it varies, although the name indicates five as the general number. In cases relating to questions of caste, with which the European officers have comparatively little to do, they are frequently very numerous.

211. The decision of the punchayet of the village has not the validity of a judicial decision?—If the parties in a suit consent to a reference to a punchayet or arbitrators, their decision has the validity of a decree of court, and will be executed accordingly, unless there be corruption or gross partiality, on proof of which the award may be set aside.

212. Have the revenue officers ever used the punchayet?—Yes; I believe the native collectors use it extensively to adjust various disputes between the village communities and the different members of such communities. The collectors, too, frequently have recourse to it in the determination of questions of private right when making settlements. And one officer in particular, with whom I have had much communication, and who is singularly well acquainted with the natives of the country

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country where he has been (Mr. W. Fraser), systematically employed it to a great extent in settling the boundary disputes between villages, preparatory to the survey of the Delhi territory and the districts immediately adjoining; and he stated that he had found the plan very successful, having, if I recollect rightly, obtained the decision of about 300 cases in that way, a little while before I was with him. His scheme was partly on the principle of a jury, and partly on that of the punchayet; that is to say, the members were generally chosen on the nomination of the parties; but they were required to decide without delay; the matter in dispute was brought to a distinct issue, and the whole proceedings were regularly recorded by a government clerk who was deputed for the purpose, with instructions to follow a prescribed course. The disputes were generally between (what I may call republican) communities of yeomen cultivating their own fields, for the possession of land generally of little value, but very eagerly contested by the people. The head men of the contending villages, acting for and in presence of the whole body, were required to nominate six on each side, making in the whole 12. The right of challenge was freely allowed; and the jury (so to term it) was required to be unanimous. Mr. Fraser's reason for having so many as 12 was, as he said, chiefly that they might, by their number and weight, be placed above the reach of intimidation or danger from the vengeance of those against whom they might decide; and it was with the same view, also, with that of putting down party spirit, that he required unanimity.

213. They did not consist of the immediate parties?—No, they generally consisted of the more respectable people of the villages in the same pergunnah or local subdivision.

214. Were they boundaries between the properties of individuals or boundaries between the communities?—Boundaries between the communities, and generally of little comparative value, though very eagerly fought for.

215. Did they generally give satisfaction?—So he stated.

216. Do the natives now sit upon juries in the presidencies?—At Calcutta they occasionally sit as jurymen in the Supreme Court.

217. In civil cases or others?—Juries are only used in criminal cases, including, by a late decision, informations for the recovery of penalties.

218. They sit upon the grand jury?—No, they have not yet been admitted to the grand jury, which is, I think, a great mistake.

219. What has been the result of that experiment?—I should think it has hardly been tried upon a sufficient scale to enable one to pronounce any conclusive opinion; at least I have none.

220. Now with respect to the distance that the suitors often have to travel, is not that distance so great sometimes as almost to amount to a denial of justice in cases of small amount?—I do not think that would operate severely if there was no delay; although for the smaller cases you must continue to have a certain number of courts in the interior of the districts. Were it not for the delay, which is great and uncertain, I do not think that suitors in the cases tried at the head station would be much inconvenienced by the distance.

221. It is not the suitor alone, but his witnesses also?—Certainly; they must also and chiefly be considered.

222. To what cause is this delay chiefly to be attributed?—Chiefly to the arrear of cases in the courts.

223. Have not parties often been kept waiting for days together before their cause has been called on?—I should imagine it has frequently happened.

224. Would not the freer admission of the natives to public situations of trust and importance be likely to produce a favourable effect on the native character?—I think essentially so. I have no conception but that it depends mainly upon the government whether the natives of India shall be quite as good as those of any other country, though one cannot entirely exclude the effects of religion. For honesty in public trusts, you must rely chiefly upon those who are trusted liberally and well treated. I am not aware that the experiment has, in India, ever failed when it has been fairly tried; and I should assuredly expect that the public confidence and satisfaction in the native judges will depend upon their having proper rank and emolument and consideration from the government.

225. The utmost amount of the salary of the judge of an inferior court is 140 rupees a month, you say?—No; some get 240 rupees a month, the 40 rupees being for establishment and miscellaneous expenses which the native judge is left to bear; the 200 are to be considered clear salary.

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226. Is he not obliged to keep a palanquin?—He generally does so, I imagine; but it is not absolutely necessary.

227. The expense of that is stated at 30 rupees a month, as one of the deductions?—A native would probably keep a palanquin for much less; they generally pay their servants less than we do.

228. Two hundred rupees a month would be 10 *l.*?—No, about 20 *l.*; and I think an average of 300 *l.* a year would be sufficient.

229. The forms of these courts are exceedingly simple, are they not?—Yes; the forms, indeed, of the country courts generally are as simple as they can well be. I am not aware of any form that could be advantageously dispensed with; and in the pleadings of the parties no particular technicality is required.

230. Supposing the question to lie between a Hindoo and a Mahomedan, in that case what law is followed?—The general rule is, that the law of the defendant is to be followed; but that provision I apprehend will seldom apply, because in cases of contract the judges are not bound either by the Hindoo or the Mahomedan law, and of course persons of different faiths will seldom be parties in cases of inheritance or other questions requiring a reference to those codes; indeed, a Hindoo becoming a Moslem or Christian, there arises a nice question which I am not able satisfactorily to answer; viz. how far the forfeiture prescribed by the Hindoo law would be enforced against the convert; I should think it would not be enforced against him if defendant. On the other hand, if he were plaintiff suing against Hindoos for his inheritance, I am afraid the Hindoo law must be enforced against him; and so with Moslems embracing Christianity.

231. Europeans residing in the interior are subject to the Company's courts to a certain extent, are they not?—In the civil department, I am not aware of any limit as to the amount, excepting that if the cause be such as would, in the case of a native, be appealable to the Sudder Court, it may be carried by appeal to the King's Supreme Court. In other respects, British subjects are subject to the country courts to any extent, provided they fall within the Act of Parliament that makes them so.

232. In criminal cases how is it?—In criminal cases they are only subject to the extent of a fine of 50 *l.*, in cases of assault or force, not being felony. In all cases of felony, they must be brought to the Supreme Court.

Lunæ, 26° die Martii, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

David Hill, Esq. called in; and Examined.

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233. WHAT is your acquaintance with India?—I went to India in the year 1806; I was employed there more than two years as an assistant collector; I was then in the secretary's office at Madras for 19 years.

234. Was that assistant collectorship in the country?—In the districts. For the last 16 months I was employed at Calcutta, as a member of the finance committee.

235. Your attention is requested to the following passage in your letter of the 30th of last January, which has been laid before this Committee, where, speaking of the want of any species of entail, under our regulations in India, for maintaining the ancient usage of the country, under which its old hereditary estates descended in the line of primogeniture, and were preserved in their entirety, you state that Sir Thomas Munro emphatically recorded his conviction that the evil just noticed was bringing the country to ruin; in what documents are the opinions of Sir Thomas Munro on that subject to be found?—In a minute recorded soon after he assumed the charge of the Madras government; I think in the year 1820.

236. Can you state more particularly what is that ancient usage of the country to which you have alluded in your letter?—Under the usage of the country the ancient zemindaries descended entire to the eldest son of the last zemindar, unless he was incapacitated on any ground, in which case a different member of the family was selected; but the zemindary was not liable to be divided nor to be alienated.

237. Not for his debts?—Not for his debts.

238. What

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238. What is there in the present practice that has so ruinous a tendency as Sir Thomas Munro supposes?—Under the regulations the zemindaries are now answerable for debts, and are at the disposal of the present holder.

239. By the former usage the zemindar could not dispose of it by will from his eldest son, could he?—He selected a member of his family, and sometimes passed over his eldest son.

240. Without incapacity?—He was the judge, by the ancient usage.

241. By the ancient usage he could select?—He did select.

242. The person whom he thought the fittest?—Yes, the person whom he thought the fittest out of his own family.

243. Among his sons or his relations?—He did not select past his own sons; he would adopt a son if he had none.

244. Do you conceive that the provision which makes these lands saleable for debts could be rescinded or modified?—I have no doubt that it would be very advisable it should, provision being made for the payment of the existing debts; in fact, I framed a regulation for the purpose, under Sir Thomas Munro's direction.

245. Does that regulation exist anywhere now?—No, it was not adopted.

246. What measure would you recommend, by way of preventing the evils of the partition of property among the Hindoos?—I am not prepared to suggest any definite measure; but I entertain no sort of doubt that it would be easy to frame legislative measures that would correct the effect of this continual subdivision of property. Various measures will suggest themselves; the rule of primogeniture in this country, or the French rule of succession.

247. How far could any such change be introduced, without giving an inexpedient shock to the feelings and prejudices of the natives?—I am not aware that it would shock the feelings of the natives; I think it might be framed so as to be made extremely agreeable to them.

248. The principle of the Hindoo law is, that the property shall descend equally among the children, but an exception obtained by usage in the large possessions of the zemindars?—The ancient possessions of the zemindars who existed before we took possession of the country.

249. Was that confined to the large possessions, or did it descend to small properties?—I believe it was entirely confined to the ancient zemindaries, where the chiefship passed by the name of Samistanum.

250. Was it a species of dominion?—In many instances it was, depending on the extent of that possession.

251. And in many cases they had the power of government, had they not?—They had the power of government, and of capital punishment.

252. Those are the possessions you are particularly referring to, as being at the disposal of the proprietor by the selection of one of his sons, but not divisible among his sons?—Those are the possessions; not exclusively large dominions, but possessions held in that way, are what I allude to.

253. Then this usage of the succession going to one of the family, and not being divided, was not confined to these large territories and dominions of the zemindars you have mentioned?—It was confined to the ancient estates which we found subsisting when we took possession of the country.

254. Is that rule of descent that you have mentioned of the ancient zemindaries continued, or has it been changed?—Under the operation of the regulations, the estates are liable for all the debts of the holder, and are at his free disposal.

255. Liable to be sold for the government revenue?—Yes; but the government are extremely reluctant to put that power in force with respect to the ancient zemindaries.

256. Were the ancient zemindaries, before we had power of that country, liable to sale for government revenue?—I imagine that the lord paramount of the land exercised whatever authority he saw fit; he certainly did not expose the zemindaries to sale in the method we should pursue, but he realized the tribute he considered due.

257. These observations you have mentioned have been confined to the presidency of Madras?—Entirely.

258. Is there now any exception from the Hindoo rule of descent, among all the sons, within the territories of Madras among Hindoos, that you are aware of?—None, with such exceptions as the Rajah of Tanjore; but they are sovereign princes in some point of view.

259. Within those possessions that are directly subject to the government of the Eas-

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East India Company in the Madras presidency, is there any landed property which is not subject to division among all the children, according to the Hindoo law?—None, as far as I know.

260. In the case of the possessions of the Mahomedans, does the Mahomedan law obtain also in respect of estates in all cases among the children?—The Mahomedan or Hindoo law prevails, according to the religion of the party.

261. There is no exception of the estates of the Hindoos from the ordinary rule of descent, either among Hindoos or Mahomedans?—I wish to explain that, although under the regulations there is no exception, yet I am not disposed to believe that in practice the succession is generally varied.

262. You do not think that in practice it has been uniform?—I do not think effect has been given to the levelling operation of our regulations by the zemindars; our regulations make no distinction between the raj and the private estate.

263. The regulations do not make a distinction between the ancient zemindaries and modern possessions?—No.

264. What do you conceive to be the evil of that subdivision of property?—I should answer, in one word, its levelling operation.

265. Do you think that the land is worse cultivated in consequence of that subdivision of property?—I do not believe it is.

266. Do you not think that it may be better cultivated by reason of that minute subdivision?—I think it likely that it is.

267. Then your objection is, that it goes to the destruction of the aristocracy of the country?—The destruction of the aristocracy, and of the unequal distribution of wealth throughout the community; there can be no such thing as private wealth.

268. Then do you consider that great advantages would be derived in that country from the unequal distribution of wealth?—Certainly, from the existence of different ranks in society.

269. A great many of the ancient zemindaries have been sold, have they not, for government revenue?—Some of them have been sold; but government have been extremely reluctant to resort to that measure, and of late years have not done so in any instance whatever.

270. Then what was the course, if the government revenue was in arrear from the zemindaries, when they have not proceeded to a sale?—The collector undertook the administration of the affairs of the zemindary, and put the zemindar on an allowance, and the surplus was carried to the credit of government.

271. Has that mode succeeded?—It has been attended with a certain degree of success, in some cases with complete success.

272. Do you consider that that mode of administering the estates by a collector was preferable for the interest of government to that of seizing the zemindary, and bringing it to sale?—As far as the recovery of the arrears of revenue is concerned, the effect is the same if the process prove successful: as far as the ancient families are concerned, and also the preservation of the peace of the country, the government felt a very strong interest in saving the estates from sale.

273. Do you consider it to be for the interest of the government in India that the large proprietors should not be destroyed?—I think it is for their interest, and much for their credit too.

274. Within the presidency of Madras, that rank of the proprietors has been carefully preserved as much as the government could preserve it, has it?—Of late years certainly so; I do not recollect any instance in which of late years the government have sold an old zemindary, but there have been such instances formerly, I believe.

275. You are speaking of the Madras government?—Only of that.

276. If there is this abstinence on the part of government to sell these ancient estates for their own demands, what has led to the partition of those estates?—The private debts contracted through the prodigality of the zemindar.

277. Would you then think it right that there should be any law which should prevent the sale of the landed property of any person, to meet the just demands of his creditors?—If it would prevent their prodigality, it would be a great benefit; and it would have that effect, if the creditors could not obtain payment of their debt out of the land. It was intended, in the proposed regulation, that respect should be had to all existing debts on the estates of the zemindars; provision was to be made for liquidating the debts, not by the sale of the zemindary, but by appropriating the revenues.

 278. Do

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278. Do you mean that in your opinion there ought to be a regulation generally preventing the sale of lands for debt, or that it should be confined to the large zemindaries?—It was intended all the large zemindaries should be embraced, and provision should be made by which the government should be able to admit other properties to the benefit of the same regulation.

279. Was it to be property generally, or of a considerable amount?—Only landed property of considerable amount.

280. What you would call the landed aristocracy of the country?—Yes.

281 Has it been found that the system of sequestrating the estates under the collector has answered as well for the interests of the public revenue as the system of putting to sale lands of the deficient zemindary?—A former answer I think meets that question. I stated, as far as the revenue was concerned, the system answered equally well; and a great deal better, as far as the interest of the country is concerned. In point of fact, it has answered better: the estates in various instances have been restored to the zemindar after recovering all arrears of revenue.

282. Is it not sufficient that, without taking the power of sale from government, there should be a practice by government to sequester as far as possible, but with a power of sale, supposing the exigency to be such as to require that extreme measure?—The revenue can never be much in arrear; it is not like private debts; it is only one year's collection, for the collector can immediately take possession.

283. Can he always realize the amount from the produce of the year?—He retains possession: the arrears of one year's revenue could always be realized in the two following years; there never would be a hazard of incurring loss.

284. Would there be harm in holding over the zemindar the possibility of ultimate loss of his land?—The proposed regulation was, to make a provision that the estate was to be liable to be sequestrated for a time, until the revenue was recovered; and the estate was liable to be forfeited for failure in allegiance, but not for arrears of revenue.

285. Would there be no danger lest the knowledge, on the part of the zemindar, that he could in no case of mere deficiency forfeit his land, should render him less careful to satisfy the demand of the government?—I do not apprehend that any hazard would be incurred on the part of the government as to realizing its revenue. These zemindaries are not heavily assessed to government, and the remedy would always be at hand as soon as the arrears took place.

286. Have you ever considered how far it would be practicable, in the place of the two judicial systems which subsist in India; one that of the Supreme Court, the other that of the Company's courts, to establish one system sufficiently comprehensive to include both the administration of justice in the presidencies and that throughout the provinces?—I have had some occasion to consider the question, by having perused papers that were written on it by the members of government and Judges of the Supreme Court at Calcutta, at the period when the question was under their consideration.

287. What is your opinion as to the practicability or expediency of such a change of system?—I can hardly say that I am entitled to entertain any opinion upon the subject; I consider the object to be extremely desirable, but it was evidently encompassed with a great deal of difficulty.

288. Is not a good deal of difficulty produced by the present system?—A great deal of difficulty; which was shown by the papers written on the subject, and which in fact led to the consideration of it.

289. Have you known instances of something like a conflict of jurisdictions?—Much less of that than might have been anticipated from a consideration of the real anomalies and embarrassments of the present system.

290. Would further consideration enable you to give any ideas to the Committee on that subject?—I am not aware that I should be able to throw any new light on it: my general impression was, that the object was not impracticable, and that vast benefit would ensue from its accomplishment.

291. What is the species of difficulty you would apprehend from having such a change of system?—The main difficulty in civil matters regards the introduction of a new class of proprietors; Englishmen, Europeans, whose rights are to be mixed up with and fastened on to those of the natives. With respect to the criminal jurisdiction, and in some measure the civil also, the difficulty consists more in the establishment of judicatories capable of administering the law.

292. You conceive the greater part of the difficulties which must be apprehended, arise from the circumstance, that in point of fact two systems have subsisted up to the

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the present time?—I am not aware that much difficulty would arise from that circumstance.

293. By going from one system to another, you have introduced the English law into the presidencies; and to have one uniform system you must substitute more of the native, must you not?—There would be some difficulty from the change, but I do not apprehend that serious difficulty would arise from that circumstance. I think the difficulty is inherent. The difficulty, I conceive, is to form a system of law that will suit the rights of Englishmen, Hindoos, Mahomedans, and all other classes of people, so as to be at all reconcileable to those existing rights which they now enjoy. If any respect is to be had for their existing rights, I imagine immense difficulty will be found in framing a system of law on which property, held according to those rights, may be transferable from one class of the community to another.

294. Would not the same difficulty exist in framing a system of law for the country at large, supposing there were a great increased number of European settlers?—I apprehend that would be a serious objection to the admission of European settlers into the country.

295. In what way does it constitute an objection?—It constitutes an objection, in the first place, on the ground that has been now adverted to, the difficulty of framing a law applicable to this new class of inhabitants; secondly, because the new class of inhabitants will belong to the dominant party in the state, and form a class which never can coalesce with the indigenous inhabitants, the present natives of the country: they will be favoured by the Legislature, as they have been since the operation of the opening of the trade has led to the introduction of a greater number of settlers than formerly; they will be favoured by the Government of the mother country; and lastly, I think it would be impossible to establish tribunals throughout the districts which might be occupied by English settlers, competent to administer criminal and (in large and difficult cases) civil law over Englishmen. I cannot conceive that the British Legislature would give the power to a young English gentleman, in one of the Indian courts, to try his countryman for his life, or still more, that that power would be delegated to native tribunals, if they were invested with such a jurisdiction over the natives. I think, even if the local magistrates had the power given to them, they could not exercise it; there would be so much obloquy annexed to it, so much scrutiny of their proceedings, so much jealousy entertained against them, they could not venture to exercise such an authority.

296. Are the difficulties to which you allude in any degree felt with regard to Europeans now settled in the interior; and if not, why not?—They are felt at present, but not in the same degree, inasmuch as there are not the same number of settlers, and as the local tribunals exercise a very limited jurisdiction over Englishmen; higher cases are required to be submitted to the Supreme Court at the presidency, which in many instances amounts to an absolute denial of justice.

297. If the administration of justice, in the case supposed, would be objected to on the part of the European settlers, do you conceive that it would not now be reasonably objected to on the part of the natives who are actually subject to the jurisdiction of the country courts?—Not, I think, in the same degree; but to a very great degree I consider that jurisdiction defective.

298. Then you do not conceive, that for the interests of the natives, and without any reference to the increased introduction of European settlers, the system of these country courts ought to be improved?—Certainly; but the improvements, according to my notions, would render the tribunals still less adapted to the trial of English settlers, for the improvement ought to consist mainly of the transfer of the existing judicial duties to natives.

299. Could it not be provided that the permission to Europeans to settle in the country should be restricted by the condition, that they should submit to the jurisdiction of the country courts, or submit to their jurisdiction in all but a few special cases, of a very serious nature?—If all cases of a serious nature were excluded from the jurisdiction, the provision, I think, would be extremely incomplete; but I apprehend the consent of the parties would not have the effect of obviating the objections. I think the public feeling would be outraged by the idea of an English settler being liable to be tried for his life by a native of India; and I think gentlemen from this country, such as compose the civil service, if the Legislature gave them the power, could not venture to exercise it; they would shrink from their duty.

300. Would it be possible, that in the case of Europeans, or even in case of natives, juries might to any extent be employed in these country courts?—If a good

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a good system of jury trial could be introduced, that would obviate the evil; but I apprehend there would be as great difficulty in establishing a system of jury trial as in improving the present system, for the purpose of rendering it applicable to the trial of English settlers.

301. Do you think, that if native juries were established in India, that they would be apt or otherwise to decide exactly as directed by the judge; do you think that the judge would have more than a proper influence over the jury in respect of their decisions?—In some cases I dare say he would have too much, and in others too little. On the subject of native juries, I beg to refer to my letter before the Committee, of the 30th of January.

302. Do you think that the natives of India could safely and beneficially be entrusted with the exercise of the duties of justices of the peace?—Over the natives; I have not the least doubt, on the Madras establishment, there is a supply of competent natives for the exercise of those duties over the natives.

303. Do you think that they could be entrusted with the exercise of those duties over Europeans?—I think it is very desirable, if Europeans settled in India, that natives should possess that power; I think it would be liable to be abused, but such instances might be corrected.

304. Do you think that the natives could have or acquire a sufficient knowledge of English law to administer that which a justice of the peace does administer to Europeans as well as natives?—I have not the least doubt that they could.

305. Do you think the natives would be gratified by having one of their own countrymen exercising the duties of a justice of the peace?—Throughout the provinces there is little scope at present for such authority; there are very few Europeans; I do not think it would be satisfactory that they should exercise it over their masters.

306. But in criminal jurisdiction, similar to that of a justice of peace, do you think it would be satisfactory to them to have that justice administered to them by a native?—I doubt whether it would at present; I rather think they would prefer the power being in the hands of the European officers of government.

307. You think they would have more confidence in having criminal justice administered to them by Europeans than by natives?—My impression is, that the natives would have much more satisfaction, and that justice would be much better administered, if the European judge had the aid of native assessors. My opinion is, that the European judge is not competent, without the assistance of natives, to ascertain the facts of any intricate, complicated case.

308. You are aware the system of criminal law in India is chiefly Mahomedan?—The Mahomedan law has been so much modified by our Regulations as to exist more in form than in reality. It is now proposed at Madras to discontinue altogether the Mahomedan law in the administration of criminal justice.

309. It is the same criminal law that is administered to the Hindoos and Mahomedans?—The same.

310. In all the courts there is a law officer, the muhlvie, who sits and assists the judge in the investigation of matters of fact?—According to the theory of the court, rather in matters of law; the fact is to be found by the English judge, and the Mahomedan law officer is then desired to state how the law applies to the fact, as found by the judge.

311. His futhwa is in the nature of a verdict?—It is rather in the nature of a judgment of what the law is as applied to a given state of facts.

312. Does not his futhwa embrace the fact as well as the law?—It does, because the fact turns on the law: he states what witnesses are inadmissible, and what are not entitled to full credit; but the judge sets aside his scruples, and says what evidence he must admit, and in reality what facts he must take to be established.

313. He sits during the whole of the trial with the judge?—Yes, in serious matters; in minor cases the magistrate sits alone.

314. Did your plan embrace a continual change of persons as assessors, as we in this country have a continual change of persons as jurors, or did you mean that there should be some permanent persons to be employed as assessors, and to be in fact judges?—My views hardly went the length of amounting to a plan; but I was of opinion at the first it would be preferable that the number of those assessors should be limited, till a certain body of assessors were trained to their new functions.

315. Do you mean that there should be a certain number of persons from time to time summoned to discharge the function of assessors?—My idea was, that the country

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country should not return a panel of jurors, but that there should be a very limited number selected by the officers of government, as being likely to exercise the new function in a satisfactory manner in the first instance, and that the system should be extended if the experiment was successful.

316. Your former answers suppose that the system by which the judicial situations in India, so far as Europeans are concerned, are now filled, is to continue; but supposing that system to be so far modified that the persons selected for judicial appointments should be selected from a larger number, from Europeans possibly resident in the country for other purposes, or in any way so as to give a larger field for selection, do you then suppose it would be impossible to provide for some system of justice that could embrace both natives and Europeans in the interior of the country?—It would be impossible to establish judicatories that could sufficiently administer civil and criminal justice over the very limited number of English settlers who under any system could be found in India.

317. Might not much greater care be taken to qualify for judicial situations in India those Europeans who are to fill them up?—I do not think they would be much fitter for the purpose if they were qualified in the highest degree; if they could be lawyers, for instance, sent out from England: with the very limited functions they would have to perform, they would hardly acquire the judicial character.

318. But you speak of young men, just going out as writers, being put in situations where they would have to administer justice to the Europeans, and then they would be jealous of that sort of jurisdiction; might not that evil be obviated if the judges were selected from a somewhat different class, and if their qualifications were better secured?—If there could be as many supreme courts, or courts of the same character as the present zillah courts, then the particular objection that has been in view would not exist; but other objections, much more conclusive against the system, would rise up. The expense would be ruinous, and I apprehend the system of English law, administered over a conquered country, or a country held as India is, would be impracticable.

319. Without supposing such a change of system, and supposing the system in other respects to be the same, might you not, by securing persons better qualified to fulfil the judicial functions, obviate the difficulty of subjecting Europeans to the rule of the country courts?—I do not imagine that the Company's civil servants are particularly ill qualified; I think it is only the circumstances of the situation that render their qualifications so extremely defective as they are; I imagine they are as well qualified as, under the same circumstances, any substitutes for them would be likely to be.

320. You are aware that no means are now taken to qualify persons to discharge the judicial functions of the interior, except the merely mental instruction given to the students at Haileybury?—That, and the preparation they go through for years after their first arrival in India, by mixing among the natives in the discharge of revenue duties, is a better education than could be obtained by more professional means. They are fitter for the duty of country judges than members of the profession from Westminster-hall, distributed over the provinces of India.

321. Do you think there would be no advantage in providing some direct instruction in India for the writers who are to fill judicial situations which they might combine with the advantage of serving in the revenue department?—My belief is, that the idea of a selection out of a limited body, like the civil service in India, is quite impracticable; the effect of it would be to make those excluded from the selection more unfit for the remaining duty. It is quite impossible to select and train up a particular class out of such a body for specific duties; it is better as it is, when they are generally qualified in a proper degree for all the functions they may be called on to perform.

322. You know that in Bengal that division does obtain?—I do not think the Bengal so good as the Madras system.

323. You know there is a training for those who intend to follow the judicial line?—They are confined to that one line; there is not otherwise much training. The Bengal officers, I believe, admit that the local functionaries are more efficient in the Madras establishment.

324. You mean the revenue officers?—District officers; I do not know that they are so well read in the Regulations.

325. Do you think it is the impression in Bengal that justice is better administered under the presidency of Madras than Bengal?—I do not know that it is *their* impression; it is *mine*.

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326. You think that is very much to be attributed to their being employed, in the first instance, in the duties of the revenue?—I think so, certainly. There is a very admirable short minute of Sir Thomas Munro's, recommending that young men, on their first arrival, should always be employed in the revenue line; and in that he points out the unfavourable impression such minds must take up of native character, where it is exhibited to them only in the light of adverse suitors; they learn nothing of the condition and character of the inhabitants of the country, and have no sympathy with them.

327. Let it be supposed that, instead of appointing a given number of young men to India, a greater number be appointed, and that either in this country or in India the fittest out of that number should be selected to fill situations of importance; do you conceive that any advantge would be gained to the service by such a system?—I do not think the selection is practicable in this country; it is impossible to tell how a young man will turn out. They are at present examined as to general education, as to having received a liberal education, and as to general capacity; beyond that, it is impossible to discover their qualifications. It very often happens that young men who distinguish themselves most in their studies, do not distinguish themselves afterwards as public officers; that their turn of mind is more towards words than things. The selection in India is impracticable, unless young men whose fate has been already decided are to be thrown back on their friends at last. There is only one practicable mode of selection of which I am aware; it has often occurred to me, and has been suggested by me in India, but it is liable to great objection. It is this: the whole public service of India, civil and military, could be thrown into one body, and a selection made out of that general mass in India. My idea was, that every man should be in the army for the first five or ten years; that he should bear a sword; and that after that period, the government, under certain restrictions, should select those who showed talents and other qualifications, such as temper and knowledge of the languages. There are great objections, and very obvious ones to the arrangement; but I am not aware of any other method by which a selection on a large scale could take place.

328. Upon an average, at what age do young men go out to the civil service from this country?—Between 18 and 20.

329. Now, you know that in this country a profession of a young man is chosen; if he is intended for the law, his profession is chosen before the age of 20, is it not?—I think it is so.

330. But might there not be, before they went, a selection; if they do not go till 20, might they not select a particular line?—Young men choose those professions before 20, but nobody can tell if they will succeed in them.

331. You think that principle of ascertaining qualifications by examination could be applied more essentially than it is in this country?—I do not consider any improvement necessary, for the young men are remarkably well educated; a great improvement has taken place within the last 20 years.

332. Do you mean to say that the system of education at Haileybury has been found to answer?—The system of education has been found to answer; the institution has been attended with a great many disadvantageous circumstances, but not in respect of education.

333. Do you think that, in order to furnish persons with education to discharge judicial functions in India, it might be desirable to prolong their stay in this country beyond the present period, to obtain instruction?—On the contrary, I would send them out young; they otherwise come out with a distaste for banishment and for native character. The great evil to be contended against is a dislike to their duty, to intercourse with the natives, and to separation from their countrymen.

334. In what manner would you obtain a knowledge of the general principles of jurisprudence, in order to qualify them for the judicial office?—As a part of general education, if it is required in a higher degree, and not obtained under the present system. One advantage must be set over against another; on the whole, I think the present system operates more beneficially than that of detaining them in this country for professional education.

335. Retaining them in this country for the purpose of instruction, would necessarily render them less fit to attain a due knowledge of the languages in India before they enter on the judicial functions?—Probably it would in some degree.

336. Do you think they could obtain in this country a sufficient knowledge?—No, I think not.

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337. Arriving at a later period, they would have less aptitude for learning the languages of the country?—In some degree.

338. Not very considerable?—I think not.

339. Is there any period after their arrival in India, before which they cannot be appointed to office?—The rules have varied; the rule at present is, that a young man cannot be employed at all in public duty until he has been about two years in India.

340. Is there any other rule as to employment in a judicial situation?—I think there is; but those rules have varied, and when they have remained, they have not always been observed.

341. In whatever manner the qualification of the young man going to India is secured in this country, whether by giving him a certain course of education, or by subjecting him to a public examination, or by uniting both those methods, do you not conceive that if the numbers that went were selected out of a larger number, the amount of qualification in the whole would be better secured than by the present system, which appoints exactly so many as the service in India is supposed to require?—The advantage would not be obtained without paying for it, if you prepared twice the number that was required, or whatever the excess might be; but the advantage which would be obtained would only be that of scholarship, or a better promise on the part of the young men: how far they might possess good sense and talents for the affairs of human life and for public business, with temper, discretion and moral qualities, all that would be left still to chance; and if they went out with an idea of being better than their fellows, something would be lost as well as gained by the selection.

Veneris, 30° *die Martii*, 1832.

THE RIGHT HONOURABLE ROBERT GRANT, IN THE CHAIR.

David Hill, Esq., called in; and further Examined.

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342. ALLOW me to ask you, on the supposition that there was an increased number of Europeans resident in India, do you think it would be impossible to frame a system of judicature which should have jurisdiction over both Europeans and natives?—I have reflected more on the general question, in consequence of my last examination, but I am confirmed in my impression of the impracticability of the measure. I conceive it would be desirable, and very easy to establish a legislature in India upon improved principles, for framing the regulations for the country courts, and on an emergency for framing laws to regulate the proceedings of the supreme courts also, subject to ulterior sanction in the mother country; but it seems to me that, under the most favourable circumstances, the measure of rescinding the whole system and provisions of the law of a community, and framing a new system and new provisions in their stead, would be attended with infinite difficulty, and be exposed to the greatest hazards of omission and collision, which could only be ascertained by experience. I think the difficulty very much aggravated by the complicated nature of the provisions of English law, as being adapted to a highly civilized and very old country. There are other difficulties that are very strongly put in a particular paper of Sir Charles Grey's, relative to points that either have not been settled, or have been settled in contrary ways at different periods and by different authorities. There would be also additional difficulties from our very imperfect knowledge of the provisions of some of the systems of law we should have to rescind and to re-establish, provisions of the Hindoo and Mussulman law. We have a very imperfect knowledge of landed tenures throughout India: they would require to be provided for also. Then there comes the difficulty most present to my mind on a former occasion, which seems to me to be of itself nearly insuperable, the difficulty of establishing a system of judicature capable of administering the law over both European settlers and natives. There is another circumstance which might either be considered as a difficulty or a facility. My impression has long been, that the government of a country held as India is, must exercise a control over the administration of the law. Whether that would facilitate the adoption of the scheme suggested, or be an additional obstacle in the way of it, may be matter of doubt.

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343. To what species of control do you advert?—I mean merely that the system of judicature in a country held by the right of conquest, and by the power of the sword, cannot be left independent of control. There is no public opinion to control it, and it may, with the best intentions, operate in a manner totally at variance with the whole end of the government of the country, and with the system on which the administration of its affairs is conducted.

344. Would it be necessary that the judges should in all cases be removable at the pleasure of the government?—My objection is quite of a different nature; I mean, that the judges, in the faithful discharge of their duty—

345. Do I understand you to say, that the judges of every kind should be removable at pleasure?—That is not what I alluded to; it was, that the government ought to possess the means of staying the proceedings of the courts of justice.

346. Do you mean to say that they should have some powers which they do not now possess?—Some powers that they do not now possess.

347. Have you thought at all of the detail or mode in which such a power could be exercised?—My general impression is, that the decrees of the ultimate tribunal ought never to be executed without being previously made known to the government, that they may interpose their authority if they see occasion, if the safety of the state and the general welfare of the community makes it necessary.

348. Do you mean that remark to apply to all judgments of the Supreme Court, or only to such as are of a political character?—By the Supreme Court, I mean the jurisdiction in the last resort. Unless all judgments were submitted, it would not be within the competency of the government to interpose their authority in cases that required such interposition.

349. You proceed on the supposition that there is one system of judicature for the whole country?—My observation is more applicable to that; but it has a certain degree of application to the constitution of things in the King's courts as it now exists. It would only be in very rare cases that the government would find ground to interpose its authority, or be justified in exercising such a prerogative.

350. Has any practical inconvenience resulted, within your knowledge, from the absence of such control on the part of the government?—With respect to the country courts, certainly there has.

351. In what cases do you think it would be within the competency of government to interpose their authority?—With respect to the country courts, I have alluded to cases that have had the effect of exciting rebellion in the part of the country to which they applied.

352. And on great public questions?—On great public questions, or on principles that grew up to be public questions afterwards, and affecting great interests. Sometimes it is a principle established by a decision which, when it comes to be generally applied, produces a great effect on the political system of the country.

353. Could you instance more particularly?—It was settled by a construction of law, that zemindars were capable of levying a certain branch of revenue called *mohturpha*, even with the sanction of the government; and by another construction of law, the object of taking confessions of prisoners was completely frustrated. Again, by the execution of legal process, rebellion was at different periods excited in two principalities in the Ganjam district, viz. Goomsoor and Moherry.

354. What, in your opinion, should be the constitution of a legislative council in India, and of whom should it consist?—I am afraid there are no other materials for such a body except the members of the government and the King's courts: it would be desirable, I think, to give it a broader foundation, if there were the means of doing so.

355. Would it be possible to include persons having no connection otherwise with the government, who should be considered in a similar sense as if they were acting on the part of the native inhabitants?—I conceive that there are no parties in India capable of protecting the rights of the natives, as things now are, excepting the public functionaries, who would be represented properly and adequately by the members of government.

356. Will you state any general ideas that you have either upon the functions or constitution of such a council?—I am not aware that I have any further ideas than to express my perfect concurrence in the views adopted by the judges of the Supreme Court on that subject, as distinct from the further question of new modelling the law of England and the law of India, and of framing a substituted system out of them.

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357. Do you think it would be open to no objection, to invest the judges with legislative functions?—If it be open to some objection, I think, upon a balance, it would be attended with very great advantage. I think the system at present is totally unfit for the purposes of legislature. The acts of the legislature are merely acts of the executive government, and are framed in the same precipitate manner, on the urgency of the occasion.

358. Are not certain of the Regulations submitted to the judges of the Supreme Court, before they are carried into effect?—The Regulations for the good order and civil government of the three presidencies require the concurrence of the judges of the Supreme Courts respectively, and the judges of the Supreme Court of Calcutta have also construed the law to render their concurrence necessary in passing Regulations for imposing additional duties. The Regulations for the country courts require no concurrence on the part of the Supreme Court, but are passed by the sole authority of the Indian governments.

359. What do you conceive would be the advantage of a legislative council?—I think the first advantage would be, that the duty of legislation would be performed in a much more deliberate manner. The next advantage would be, that with the aid of the judges, the principles of law and of justice would be much more regularly observed than they are likely to be by an executive government, which legislates on the impulse of the moment.

360. Do you not also conceive, that in certain cases the delay and circuity of a reference to Parliament would be saved?—My answer had reference to the Regulations for the country courts. With respect to the Supreme Court, there is a third advantage this question points out, which in effect would supply a great deficiency in the present system of legislation: the delay is so great as to amount to an absolute obstruction of legislation. One Governor-General, Lord Minto, at the end of his government, when on his return to England, stated to me, that owing to distance and delay, he found it to be impracticable to obtain legislative enactments on points on which there was not the least question as to the propriety of their being passed.

361. Did the unfortunate disputes which took place at Bombay between the government and the judges, attract much notice in other parts of India?—Not generally through India; not much at Madras, even in English society; at Bombay of course it did, and I believe also in Calcutta, where they have a much greater turn for political discussion.

362. Are you aware whether the question had arisen at Madras, whether the Supreme Court had power to issue writs of any kind into the provinces?—I think not. In argument it may; but practically, I think it had not arisen. There were legal methods by which matters adjudicated by the country courts were brought within the jurisdiction of the Supreme Court: this was by the dextrous management of the practitioners in the Supreme Court, and not by any encroachment of the court itself, or desire to extend its jurisdiction.

363. Is there a disposition in the natives of India to look to the Supreme Court as a sort of defence to them against the government?—At the Presidencies, very likely, as there it is the only jurisdiction; throughout India, certainly not; in the provinces, certainly not: I do not believe generally they know anything about the matter; but where they do, I imagine they only look on it with terror, as an unseen instrument likely to involve them in ruin; I fancy they generally know nothing about the matter.

364. Your observations are confined to the Madras presidency still, are they not?—I have probably taken a wider range in some of my answers, for my means of loose information were gathered chiefly at Calcutta, during my last residence in India.

365. When you say that you should suggest that the judges should have legislative powers, do you mean that it should only be a sort of superintendence over legislative enactments?—According to the projected scheme, the judges were to be constituent members of the legislative council; and the majority of the judges were, in certain cases, to possess a description of veto in the exercise of its authority, in cases where they stated their opinion to be, that the proposed enactment was at variance with the law of England.

366. Would they have time to exercise that judicial legislative power?—As to framing a new code in lieu of the codes to be extinguished, I imagine that would not have time, neither they nor anybody else; but for substituting this mode of passing Regulations for the country courts for what exists now, and also for the passing

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passing emergent laws to regulate the proceedings of the Supreme Court, pending a reference to the authorities in England, I imagine they would have abundance of time; probably it would save them time in their judicial functions.

367. You are aware that the idea is entertained by many persons, that the introduction of European settlers into India is not only practicable but would be advantageous; are you able to state to the Committee any general ideas upon that subject?—The advantages to arise from the settlement of Europeans in India have been wonderfully exaggerated: I estimate them very low indeed. The process used to go by the name of Colonization; now, I believe, the principal recommendations of the scheme are considered to be the transfer of British capital, and skill and enterprise, for the purposes of drawing forth the resources of India. I have no conception that any British capital would ever find its way to India: it never did when the temptation was much greater than it can now be expected to be; and the distance of our empire, the uncertain tenure by which we hold it, the alarms connually springing up as to events endangering its stability, will effectually prevent British capitalists from transferring their funds to India. In that case, there remain only the skill and enterprise of Englishmen. According to my conception, they will be very far behind the natives in most departments to which skill can be applied. There are physical difficulties in the way of their undertaking manual labour, which must exclude them from being agriculturists or mechanics in India; for I imagine that a farmer who never held the plough in his hand, and who was transferred to a country where the climate, and the system of agriculture and the products of the earth are all different from what he has been accustomed to, could never cope, in point of skill, with the natives of the country. I imagine that the ryots of India are much better husbandmen than European settlers would be. So it would be as to mechanics also. There remains only the object of stimulating and directing the exertions of the natives themselves; an object which falls very far short of the sanguine expectations of the advocates of the system of free resort of European settlers to India, and an object which, under the present system, seems to me to be attained to its full extent, or under the present system admits of being carried to any further extent which may be deemed necessary. Then there will arise objections to the system connected with the bad characters which would go: if none but good characters went, they would be doing harm to themselves, but would not do any harm to India. A man of good conduct and capacity could not injure India; but my impression is, that as it would be a bad speculation to the settlers, many would forfeit the good character they took out with them, and many others would find their way to India who were bad subjects, difficult to govern, and not capable of conferring any benefits on the country they visited.

368. You are aware that the Company have generally been averse to the principle of exporting British capital to India?—I am not aware of that.

369. At what period was there more facility or temptation for exporting British capital into the provinces of India than at this moment?—When the rate of profit was much higher than it now is, or is likely ever to be again; when with the greatest ease 20 per cent. might be made in the money market of India, where five or six now is a fair remuneration.

370. Did not the system of the Company, by impeding Europeans from settling in India, oppose obstructions to the introduction of European capital into that country?—Probably the obstructions to the resort of Europeans may, in some measure, have tended to prevent British capital from being transferred there; but I should think, if the inducements had been sufficient, there were no obstructions that would have been effectual.

371. Are there now Europeans in the presidencies who, if greater facilities were allowed, would engage in agricultural or manufacturing speculations in the interior of the country?—I am not aware that there are, or that there is useful scope for a greater number. I think they would supplant better men in the persons of natives who are now employed in those pursuits.

372. In point of fact, are there not many Europeans at the presidencies who are calling out for greater facilities?—There are a great many more Europeans in India now than can find useful employment.

373. Are they not cut off from a great variety of the employments of the country?—I think not: they are prevented from acquiring real landed property.

374. They are not allowed to move freely in the interior of the country?—As long as they behave themselves well, I think they are. They are not allowed as

matter

matter of right, but in practice there is no difficulty, so long as they are supposed to conduct themselves well.

375. Do you think that any advantage would arise from conferring upon the half-caste race any rights or privileges which they do not now enjoy?—If they are not allowed to acquire landed property, I think they ought to be. They have a much better claim to consideration than European settlers, for it is their native country; but I am not sufficiently acquainted with any obstructions in the way of their prosperity, to say what relief they require; I think they ought to be placed on a footing with the natives of the country.

376. When you say that in some cases Europeans, if allowed to go into the interior, might supplant the natives, how do you reconcile that statement with your former opinion, that the natives generally will be found to cope successfully with the Europeans in regard to the produce of the interior?—Still I conceive that through the patronage of their countrymen, connection by blood, or by friendship, or recommendation, they would be preferred to situations that might be more fitly occupied by natives. I think that the labours of the land must still be performed by the natives, for the constitution of an European physically incapacitates him from taking the place of the native; but there are higher situations which are at present filled by natives that might be transferred to Europeans, through favour shown to them by their countrymen.

377. Where does the capital employed by the indigo planters come from?—It is accumulated in India exclusively.

378. Then what part in the undertaking of the indigo plantation does the British settler act; is it his skill, or what is it?—I think it is his enterprise in the direction that he has given to the labours of the people; he has found out a commodity which has been profitably raised.

379. Europeans having settled in India, and made establishments there for the plantation of indigo, contemporaneously with that there has been a great increase of indigo, and great good has resulted to those parts of India from it?—This result has followed from the present restrictive system, and has been carried to the utmost extent, so that indigo is now at a price that does not remunerate.

380. At the same time, the average result on the whole has been that of an extended cultivation, and great good to those parts of India where it has been carried on?—That has arisen under the present restrictive system.

381. Do you attribute that to the restrictive system?—Not to the restrictions of the system; the indulgence is quite compatible with the operations of the present system.

382. Do you mean that the law should be made different so as to grant them more indulgence, or without any alteration of the law, would you wish for a further introduction of Europeans into that country?—I believe that little or no alteration of the law is necessary, for the present system is sufficient for the purpose.

383. Are there not other products which might be cultivated with considerable advantage, if they were undertaken and prosecuted by English skill and capital?—According to my conception, Europeans could do nothing to promote the more skilful culture; they could not prepare the ground for cotton. The European merchants at Calcutta have tried the rearing of cotton and sugar with very little advantage to themselves.

384. Has the import of East India cotton into this country increased?—It has fallen off very much.

385. Why should not the same principle apply to the cultivation of cotton, as has been found practicable in the case of indigo?—I imagine that the climate and soil are not adapted to the produce of cotton and sugar, in comparison with the other quarters from which supplies are drawn.

386. Did you ever hear the opinion of any manufacturers at Manchester, or any person in the habit of importing cotton to Liverpool, on this subject?—I am not aware that I have; I believe Indian cotton is held in very low estimation.

387. What is your idea with respect to giving Europeans power of holding land in India?—I see no possible benefit to accrue from it, and a great deal of embarrassment.

388. If they held the land by the tenure which it belongs to, what embarrassment could be the consequence?—I do not see how they could. If English tenures and Indian tenures were once mixed together, I think that a question already very difficult would be made still more so; and I see no advantage that would arise from it.

 389. Would

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389. Would a law authorising them to hold land in India produce any positive mischief?—According to my apprehension, it would. The English settlers belonging to the ruling party in the state, would have influence enough to have laws framed and executed so as to favour them at the expense of the landholders, who belong to the conquered part of the community; and in that way I think it would be a serious evil to India, a wrong committed against the natives of that country, and for no advantage, as far as I am aware. They have the fruits of the land as it is; and, considering what physical disadvantages they labour under, and what political evils would ensue from allowing a free resort of Europeans to India, I think nothing would be gained, and only loss would be incurred by changing the law in that respect.

390. It would not follow that, because they were admitted to hold land, they should be permitted to have an indiscriminate resort of Europeans into the interior?—It is not a necessary part of the system; still it does form a part of the scheme.

391. Have many disputes arisen between the indigo planters and the natives?—There are constant disputes.

392. What is that attributable to?—It is not easy to say; it seems to me very like the condition of society in Ireland, where the law derives no aid from popular feeling; there is continual warfare.

393. Is it owing to the misconduct of the settlers?—That has only an accidental share in it; that is not the root of the evil. It seems to originate in the necessity of making advances to the poor cultivators; and then the produce, which ought to be delivered in return for those advances, is bought up by some interloper, and armed parties are taken out to carry it off by force, or repel the intruder.

394. Does it result in any degree from the uncertainty of the proprietary of the land?—The disputes regarding boundaries are very frequent.

395. Has the settlement of the indigo planters been productive of benefit to those portions of India where they are settled?—I have no means of knowing myself, but I have understood it has. The appearance of the country has improved; I believe the condition of the people has not. The land is more highly cultivated.

396. What is the general feeling of the natives as to the administration of justice by the country courts; is it a feeling of confidence in these courts, or otherwise?—Not of satisfaction, certainly; they have been generally felt to be extremely irksome; I mean the zillah courts.

397. What is the nature of the improvements that you would suggest in the constitution of these courts?—My general impression is, that all justice ought to be administered by the natives themselves, who are much more competent to do it, and who would do it on more easy terms than it can be supplied from any other quarter.

398. What is your opinion as to appeals?—My general idea as to that is, that the English officer ought not to exercise the appellate jurisdiction, but when necessary should direct a new trial, transferring the cause to another native judge; that the British superintendent, if he sees fit on any ground, should, without going himself into the merits, order the cause to be tried again by a higher tribunal, in the nature of an appeal, or by the same or another tribunal, in the nature of a new trial.

399. This is a principle recognized already by some of the native courts, is it not?—I am not sure that new trials are in practice with us, which would be a great improvement; I think they are always appeals.

400. Is not there a power of some superior court sending back the case?—I am not certain as to that; I think there is a great defect in the system of appeal generally in India, but I am not lawyer enough to be sure that my notion is correct. The whole evidence is recorded, and the superior court reads over that which the original court has heard, and comes to a conclusion, not upon any particular point of fact or of law that has been excepted against by the losing party, but on the whole merits of the case; the appellate court tries on reading the same evidence as the original one tried on hearing.

401. You have already been asked with respect to the age at which you would send young men to India?—I think I stated before, that I did not imagine it would be an advantage that they should be kept longer in England than from 18 to 20; I think that would not be an improvement.

402. Suppose a system by which young men of apparent talent for the legal profession

profession should be selected, and should have education in the principles of general law in England for a year or two, and then that their knowledge should be perfected in India for a year or two, by a more particular application of the principles of the law of that country; do you not conceive that that would effect a very material improvement in the general administration of justice?—Not according to my idea; I conceive the improvement that is necessary in our judicial system in India is to transfer the functions of judges to natives; I conceive also that the great *desideratum* in the office of the public functionaries of the Indian government is a knowledge of the native character, language and manners, and a sympathy with the people among whom they are to live, and a taste for their official duties; I am quite convinced that all these advantages would be forfeited by high legal attainments.

403. Could not the two qualifications be made compatible in a greater degree than they appear to be at present?—The general qualifications might perhaps be attained in a higher degree by greater care in the selection of young men sent out to India; the legal qualifications would be a little or no advantage, according to my view, as I conceive the legal functions ought not to be in the hands of European functionaries; that it would be totally impossible to pay an adequate number, and if obtained, they never could be so competent to perform the duties as natives, who might easily be instructed in them.

404. In what way would you employ Europeans in the administration of justice in the interior of the country?—I would merely make them, in the administration of justice as in every branch of civil administration, the links by which the system of internal administration is connected with the government of the country.

405. Have you at all calculated what would be the reduction of the number of Europeans now employed in the judicial department?—According to my recollection regarding the Madras presidency, there have of late years been about 30 judges in our districts; independently of these judges we have assistants, called registrars, who are totally unfit, in my estimation, to exercise judicial functions, being too young and inexperienced. Instead of having about 30, according to my impression, 20 would be ample, which would make a reduction of one-third.

406. And do you think, besides the saving of expense, the object would be better accomplished?—I am quite convinced it would, and that 30 accomplished natives would do a great deal more than 30 Europeans, such as can be obtained.

407. How would you effect the transition from the present system?—It is in progress already at Madras.

408. Has there been a diminution in the number of persons sent out?—Yes, there has.

409. Do you think that experiment would be injured by the free resort of Europeans into the interior?—I think that this improved system would not be applicable to such a condition of society.

410. You could not carry into effect the proposal of having native judges, if Europeans had a permanent freedom of settling?—I stated that impression on my last examination.

411. And you stated that the younger persons go out to India the better?—Not to that extent; but it is desirable that they should go out young.

412. Suppose they go out very young, do you think it would be best to employ their previous time which they pass in England in studying Indian institutions, or Indian law, or the Hindostanee language, or acquiring general knowledge?—Certainly, general knowledge.

413. If Europeans are to exercise this sort of controlling or superintending power over native decisions, ought not they to learn some general principles of jurisprudence?—I think, if you could get that without losing anything else, it would be all the better; but I consider it a very secondary qualification for a ruler of the land.

414. Have you any further suggestions to offer to the Committee relative to the improvement of the system of judicature in the administration of India?—My views are of a very simple and summary description. I conceive that throughout the provinces justice ought to be administered by natives, who are to be found perfectly competent to the office; that there should be a gradation of native judicatories, one class having jurisdiction over another; and that the operations of the whole should be superintended by British functionaries, who should connect the system of internal administration with the government which rules the empire. I ought to explain, in the way of apology for some of my notions, that I look upon

David Hill, Esq. 30 March 1832.

India entirely as a conquered country, which cannot enjoy the advantages of a constitution of balance and check among its several parts, but must be kept under an absolute government. I conceive that all ideas of perfectibility in its institutions are quite inapplicable to the condition of the case. My impression accordingly is, as I have stated on another occasion, that no system ought to be rejected merely because it has a great many faults, as I am quite aware my scheme has. I think our position in India so forced and unnatural, that all our institutions must be extremely defective. They are only enthusiasts, as the advocates of some particular system, who imagine for the time that they have found out one that is faultless. In judging of any one of the plans for assessing and collecting revenue, for administering justice, for preserving peace and good order, we must first weigh its defects against its merits, and then against the defects of any rival plan; the best we shall have in the end will be a balance in favour of what we prefer.

415. Since your system supposes the more extensive employment of natives in the administration of justice, do you suppose that the effect of such an extended employment of natives would be, by whatever gradations, to ultimately throw the government of India into the hands of the natives?—My views on that point are, that the natives ought to be brought forward in the government of their own country, as far as they are capable of being so by their moral and intellectual qualifications, subject only to the security of the empire, so long as we are to retain it. My views would therefore bring them forward certainly in the administration of the affairs of the country, but would not have the effect of placing political power in their hands.

416. Supposing them to improve in general intelligence and knowledge, do you conceive that the effect would not be to endanger the stability of the British power?—If that effect naturally resulted from a more liberal system towards the natives, I think it is a consummation most ardently to be desired. I do not think the measures I have suggested would be likely to place power in the hands of the natives before they were fit to use it. I have no conception that any English statesman, who turns his attention to the subject, would for an instant entertain the idea of keeping India in a debased and degraded state, in order to perpetuate or prolong our empire.

417. On the contrary, you would be prepared to suggest a system which might ultimately have the effect of completing the transition of power from our hands to those of our present subjects?—That I should think a most desirable result, but I see no prospect of it.

418. Do you conceive that there has been a very remarkable change within the last 30 years in the character of the natives and their intellectual acquirements, or at least of those of the natives who are connected with the presidencies?—In some respects; at Calcutta, for instance, there is a marked improvement in the system of European education among the natives; but I should not think their intellectual faculties are much improved; these are shown to most advantage in natives who have generally had little intercourse with English society. The ablest natives are those who do not know the English language.

419. At the presidencies, have they not in some measure learned to criticise the proceedings of government, and to entertain and deliver opinions respecting political matters?—In Calcutta they have to a limited extent, but sometimes it is done by Europeans in their names.

420. That has not been done in the presidency of Madras?—Not more than was done 30 years ago.

Martis, 3° die Aprilis, 1832.

ROBERT CUTLAR FERGUSSON, ESQ., IN THE CHAIR.

Holt Mackenzie, Esq. called in; and further Examined.

Holt Mackenzie, Esq. 3 April 1832.

421. HAVE you brought with you a translation of the Persian statement to which you referred in your last examination, respecting the expenses of suits in the different courts in India, the Zillah, the Provincial, and the Sudder Courts?—Yes, I have.

[*The Witness delivered in the same. Vide Paper* (A.)]

Holt Mackenzie, Esq.

3 April 1832.

(A.)—Cost of Suit and Defence in the Zillah Court.

COST OF THE PLAINTIFF.

THING SUED FOR.	Value.	Institution Stamps.	Miscellaneous Stamps.	Pay of Peons and Ameens.	Vakeels' Fees.	Witnesses' Maintenance.	TOTAL.
	Rupees.	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
150 Begahs of Land paying Revenue -	930	50	9	80	46	9	194
A Talook - - -	129	8	11	15	6	- -	40
250 Begahs of Alluvial Land - - -	250	32*	13	13	12	6	76
300 Begahs of Land -	525	32	64 ½	3 ½	26	35	161
Share of a Talook -	673	32	24 ½	23	34	7	120
Debts - - -	840	50	13 ½	5	42	- -	110 ½
Ditto - - -	1,664	100	8 ½	1	83	- -	192
Ditto - - -	1,000	50	9 ½	- -	50	- -	109 ½
Ditto - - -	1,262	50	15 ½	1 ½	64	- -	131
Bond Debt - -	1,500	50	12	- - -	75	- -	137
Rent-free Land - -	686	32	14	5	34	- -	85
Ditto - 77 Begahs -	631	30	26	99	32	21	207
Ditto - quantity not specified - -	1,647	60	13	1	75	4	154
Ditto - ditto -	527	25	5	5	26	4	65
Ditto - ditto -	1,237	51	16	1	61	- -	129

* There appears to be some mistake here; the proper stamp being only 16 rupees.

COST OF THE DEFENDANT.

THING SUED FOR.	Value.	Stamps.	Pay of Peons and Ameens.	Vakeels' Fees.	Witnesses' Maintenance.	TOTAL.	TOTAL of both Parties.
	Rupees.	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
150 Begahs of Land paying Revenue -	930	22	5	46	17	90	284
A Talook - - -	129	6	- -	6	- -	12	52
250 Begahs of Alluvial Land - - -	250	- -	- -	12	- -	12	88
300 Begahs of Land -	525	32 ½	2 ½	52	- -	87	248
Share of a Talook -	673	21 ½	13	34	6	74	194
Debts - - -	840	- -	- -	- -	- -	- -	110 ½
Ditto - - -	1,664	9	- ½	83 ½	- -	93	285
Ditto - - -	1,000	17 ½	4	50	- -	71	180 ½
Ditto - - -	1,262	11	1	64	- -	76	207
Bond Debt - -	1,500	2	- -	75	- -	77	214
Rent-free Land - -	686	16	- -	34	32	82	167
Ditto - 77 Begahs -	631	20	108	32	-	164	371
Ditto - quantity not specified - -	1,647	5	- -	75 ½	- -	81	235
Ditto - ditto -	527	15	- -	26	- -	41	106
Ditto - ditto	1,237	18	- -	61	- -	79	208

Holt Mackenzie, Esq.

3 April 1832.

Cost of Parties in the Court of Appeal.

APPELLANT.

THING SUED FOR.	Value.	Institution Stamps.	Miscellaneous Stamps.	Peons and Ameens.	Vakeels' Fees.	Witnesses' Maintenance.	TOTAL.
	Rupees.	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
150 Begahs of Land paying Revenue -	930	50	6	- -	46	- -	108
A Talook - - -	129	8	6	- -	6	- -	20
250 Begahs of Alluvial Land - - -	250	32	5	1	37	- -	76
300 Begahs of Land -	525	32	13	- -	26	- -	71
Share of a Talook -	673	32	13	2	34	- -	81
Debts - - -	840	50	12	1	42	- -	105
Ditto - - -	1,664	100	26	- -	83	- -	210
Ditto - - -	1,000	50	6	2	50	- -	108
Ditto - - -	1,262	50	63	- -	75	- -	188
Bond Debt - -	1,500	50	21	- -	75	- -	146
Rent-free Land - -	686	32	44	2	34	5	118
Ditto - 77 Begahs -	631	32	12	2	31	- -	77
Ditto - quantity not specified - -	1,647	100	14	2	148	- -	263
Ditto - ditto -	527	50	30	- -	47	- -	127
Ditto - ditto -	1,237	50	29	- -	62	- -	141

RESPONDENT.

THING SUED FOR.	Value.	Miscellaneous Stamps.	Peons. and Ameens.	Vakeels' Fees.	Witnesses' Maintenance.	TOTAL.	TOTAL of both Parties.
	Rupees.	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
150 Begahs of Land paying Revenue -	930	6	- -	46	- -	52	154
A Talook - - -	129	7	- -	6	- -	13	33
250 Begahs of Alluvial Land - -	250	5	- -	37	-	42	118
300 Begahs of Land -	525	9	- -	26	- -	35	106
Share of a Talook -	673	9	- -	34	- -	43	124
Debts - - -	840	5	- -	48	- -	53	158
Ditto - - -	1,664	5	- -	83	- -	88	298
Ditto - - -	1,000	1	- -	50	- -	51	159
Ditto - - -	1,262	12	- -	75	- -	87	275
Bond Debt - -	1,500	12	- -	75	- -	87	233
Rent-free Land - -	686	43	1	34	3	81	199
Ditto - 77 Begahs -	631	- -	- -	- -	- -	- -	77
Ditto - quantity not specified - -	1,647	19	- -	148	- -	167	430
Ditto - ditto -	527	17	- -	47	- -	64	191
Ditto - ditto -	1,237	15	- -	62	- -	77	218

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Expenses in the Sudder Court.

APPELLANT.

THING SUED FOR.	Value.	Institution Stamps.	Miscellaneous Stamps.	Vakeels' Fees.	TOTAL.
	Rupees.	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
150 Begahs of Land paying Revenue - - - -	930	50	32	46	128
A Talook - - - -	129	8	30	6	44
250 Begahs of Alluvial Land	250	32	39	37	108
300 Begahs of Land - -	525	32	30	26	88
Share of a Talook - -	673	32	42	34	108
Debts - - - -	840	50	30	63	143
Ditto - - - - -	1,664	100	22	83	205
Ditto - - - - -	1,000	50	30	50	130
Ditto - - - - -	1,262	50	30	64	144
Bond Debt - - - -	1,500	50	52	75	177
Rent-free Land - - -	686	32	40	34	106
Ditto - 77 Begahs - -	631	50	56	49	155
Ditto - quantity not specified - - - -	1,647	100	31	148	279
Ditto - - ditto - -	527	50	24	47	121
Ditto - - ditto - -	1,237	50	40	62	152

RESPONDENT.

THING SUED FOR.	Value.	Miscellaneous Stamps.	Peons and Ameens.	Vakeels' Fees.	TOTAL.	TOTAL of both Parties.
	Rupees.	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
150 Begahs of Land paying Revenue - - - -	930	28	28	46	102	230
A Talook - - - -	129	26	- -	6	32	76
250 Begahs of Alluvial Land	250	22	- -	37	59	167
300 Begahs of Land - -	525	36	- -	26	62	150
Share of a Talook - -	673	32	- -	34	66	174
Debts - - - - -	840	20	- -	63	83	226
Ditto - - - - -	1,664	18	- -	83	101	306
Ditto - - - - -	1,000	20	- -	50	70	200
Ditto - - - - -	1,262	22	- -	64	86	230
Bond Debt - - - -	1,500	44	- -	75	119	296
Rent-free Land - - -	686	- -	- -	- -	- -	106
Ditto - 77 Begahs - -	631	38	- -	49	87	242
Ditto - quantity not specified - - - -	1,647	26	- -	148	174	453
Ditto - - ditto - -	527	14	- -	47	61	182
Ditto - - ditto - -	1,237	24	- -	62	86	238

SUMMARY.

THING SUED FOR.	Value.	Costs of Parties in the Zillah Court.	Costs of Parties in the Court of Appeal.	Costs of Parties in the Sudder Court.	GRAND TOTAL.
	Rupees.	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
150 Begahs of Land paying Revenue - - -	930	284	154	230	668
A Talook - - - -	129	52	33	76	161
250 Begahs of Alluvial Land	250	88	118	167	373
300 Begahs of Land - -	525	248	106	150	504
Share of a Talook - -	673	194	124	174	492
Debts - - - - -	840	110 ½	158	226	494 ½
Ditto - - - - -	1,664	285	298	306	889
Ditto - - - - -	1,000	180 ½	159	200	539 ½
Ditto - - - - -	1,262	207	275	230	712
Bond Debt - - - -	1,500	214	233	296	743
Rent-free Land - - -	686	167	199	106	472
Ditto - 77 Begahs - -	631	371	77	242	690
Ditto - quantity not specified - - - -	1,647	235	430	453	1,118
Ditto - - ditto - -	527	106	191	182	479
Ditto - - ditto - -	1,237	208	218	238	664

422. Did the suits which are here mentioned take place in any particular year?—No, they were taken indiscriminately.

423. For how many years?—They are from cases tried by the Sudder Court in various years subsequently to 1814; but the four last were instituted at an earlier period.

424. Was the Persian paper from which this translation was made obtained from the records of the Sudder Dewanny Adawlut?—It was compiled from the records of the Sudder Dewanny Adawlut, under the orders of the Registrar. The costs of suit in the several courts are always recorded in their respective decrees, with an order as to the party that is to pay them; and it was from the record of the decrees adopted in the Sudder Court that the different items were taken.

425. Were they taken indiscriminately from the whole number of causes of which there are records in the three courts, since 1814?—They are all cases which reached the Sudder Court after passing through the two subordinate courts; but out of these they were taken indiscriminately, the object being to get, as far as the Sudder records afforded it, a fair average of the charges of such suits.

426. Is the institution stamp a per-centage on the amount sought to be recovered?—No, not a per-centage, but a sum varying according to the amount or value of the property claimed.

427. Of what are the articles called the miscellaneous stamps composed?—The miscellaneous stamps are those chargeable upon miscellaneous petitions, applications for the summoning of witnesses, and for the filing of exhibits. I do not mean the stamps required to be used on the execution of the instruments that may be exhibited, of which various descriptions must be written on stamped paper, as will be found defined in the stamp regulations; but I now refer merely to the stamp which must be borne by applications for the admission of exhibits in suits.

428. In what manner are the peons paid?—In general by a daily allowance; and the same course is followed in regard to other persons deputed for any local duty relating to the suit. The fifth and corresponding columns include both descriptions of charge for cases in which both have been incurred; and in the first of the cases it is probable that an ameen, or commissioner, was deputed for the purpose of some local inquiry respecting the lands in dispute.

429. Do

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429. Do you apprehend so from the amount?—Yes, from the amount.

430. Are the vakeels' fees also regulated by a per-centage on the amount sought to be recovered, or on the amount recovered?—Up to 5,000 rupees, five per cent. is allowed on the amount or value sued for. When the amount or value exceeds that sum, the fee is regulated by a somewhat complicated calculation, until it reaches 1,000 rupees, the fee on a suit for 80,000 rupees or more.

431. What is the lowest institution stamp in any cause that is instituted in the Zillah Courts?—One rupee.

432. For what sums is that?—For sums not exceeding 16 rupees.

433. What is the highest?—Two thousand rupees, for sums exceeding one lac of rupees.

434. For 100,000 rupees, what is the institution stamp?—One thousand; exceeding that sum, 2,000.

435. By what Regulation is that?—The amount of the institution stamps is fixed by the Bengal Regulation, No. I. of 1814.

436. You have been speaking entirely of the courts subject to the Presidency of Bengal?—Yes.

437. Are the fees of the vakeels of the same amount in the different courts, in the Zillah, in the Court of Appeal, and the Sudder Dewanny?—Yes, they are at the same rate.

438. So that the suitor upon each stage of his cause in the Zillah Court, the Court of Appeal, and the Sudder Dewanny Adawlut, has to pay the vakeels?—Yes.

439. Has he also to pay institution stamps upon each?—Yes.

440. As if it were a fresh cause?—Yes.

441. That is, the plaintiff?—The plaintiff or appellant.

442. Upon what document or proceeding is the stamp affixed?—It is upon the plaint or petition of appeal.

443. Will you be so good as to state the amount of the vakeels' fees in progression, from the smallest to the largest?—For suits not exceeding 5,000 rupees, five per cent. is allowed. If the amount exceed 5,000 rupees, and do not exceed 20,000, five per cent. is allowed on 5,000, and on the remainder two per cent. If the amount or value exceed 20,000 rupees, and does not exceed 50,000, then on 20,000 the fee is calculated as in a suit for that amount, and on the remainder one per cent. is allowed. If the amount exceed 50,000 rupees, and does not exceed 80,000, on 50,000 a sum is allowed, calculated as in a suit for that amount, and on the remainder one half per cent. is allowed. If the amount exceed 80,000 rupees, 1,000 rupees are allowed and no more, however great the amount or value. These fees are fixed by Regulation VII. of 1814. The fractions of rupees are in all cases rejected.

444. Will you enter into the same detail with respect to the institution stamps?—In suits for sums not exceeding 16 rupees, the plaint or petition must be written on paper bearing a stamp of one rupee. If the suit exceed 16 rupees, and do not exceed 32 rupees, a stamp of two rupees is required. Above 32 rupees, and not exceeding 64, the stamp is four rupees. Above 64 rupees, and not exceeding 150, eight rupees. Above 150 rupees, and not exceeding 300, 16 rupees. Above 300 rupees, and not exceeding 800, 32 rupees. Above 800 rupees, and not exceeding 1,600, 50 rupees. Above 1,600 rupees, and not exceeding 3,000, 100 rupees. Above 3,000 rupees, and not exceeding 5,000, 150 rupees. Above 5,000 rupees, and not exceeding 10,000, 250 rupees. Above 10,000 rupees, and not exceeding 15,000, 350 rupees. Above 15,000 rupees, and not exceeding 25,000, 500 rupees. Above 25,000 rupees, and not exceeding 50,000, 750 rupees. Above 50,000 rupees, and not exceeding 100,000, 1,000 rupees. Above 100,000 rupees, 2,000 rupees.

445. Will you state any other stamp duties to which the parties are subject, besides the institution stamp?—All exhibits filed in court are required to be accompanied with an application praying the admission of the same, and that application must be written on stamped paper; if in the Zillah Court, the stamp is one rupee; in the Provincial Court and the Sudder Dewanny Adawlut, two rupees. So also no summons is issued for the attendance of any witness without an application in writing, praying the attendance of such person, which application must be written on stamped paper, similar to that prescribed in the case of filing exhibits. Further answers, replications, rejoinders, supplemental pleadings, and all agreements of compromise and petitions, are required to be written on stamps of one rupee in the Zillah Court, and four rupees in the Provincial Court or in the Sudder Dewanny.

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Dewanny. Miscellaneous petitions and applications preferred to public authorities, either revenue or judicial, are required to be written on stamps of eight annas, if preferred to a Zillah judge, or magistrate, or collector; of one rupee, if to a Court of Appeal or Circuit; and of two rupees, if to the Sudder Dewanny or Nizamut Adawlut, or to the Board of Revenue. The appointment of the vakeels to act in each case is made by an instrument bearing a similar stamp. Copies of decrees also are required to be stamped: in the Zillah Court, the stamp is one rupee; in the Provincial Court, two rupees; in the Sudder, four rupees; and all proceedings of the Sudder prepared for transmission to the King in Council must be transcribed on paper bearing a stamp of two rupees. Copies of miscellaneous papers are required to be written on paper bearing a stamp of eight annas, or half-rupee.

446. Is the expense of stamps a very considerable item in the costs of suits both to plaintiff and defendant?—Yes, I should imagine so, especially to the plaintiff, who pays the institution stamp.

447. How is the amount of the vakeel's fee fixed; is it upon the sum claimed by the plaint, or upon the sum recovered?—Upon the sum claimed.

448. Can the party in any case recover more than the amount which he claims?—I think the judgment includes the amount of interest that accrues pending the suit; but I am not sure.

449. At the institution of the suit, must he not make his full claim?—Yes, unless the case be such as to admit of successive actions.

450. Is it not frequently the case, that on the institution of a suit, a plaintiff, in order to determine the right, restricts his claim either to particular premises, or to a particular sum of money?—I do not recollect any case in which a suit was brought for a certain portion of the claim with the distinct view of settling the right; but according to my recollection, cases have frequently occurred in which the plaintiff has sued for only a part of his just demand in the first instance, intending to sue for the remainder separately if he succeeded.

451. Do you refer to cases with respect to land, or with respect to money demanded, or both?—The cases that I have in recollection had reference to money demands.

452. Then, by the law and practice of the courts in India, may a party sue for a part of his demand, and afterwards commence, having recovered that portion, a fresh suit for the remainder?—I think he may so restrict his claim in the case of a money demand, but not, I apprehend, in the case of landed property, unless the things be distinct, and the interest separate: thus, of several zemindaries held by his ancestor, a plaintiff may, I conceive, sue for one separately from the rest; but he cannot sue for a part of a zemindary.

453. May he sue for a detached part of a large estate for the purpose of establishing his right, and saving the institution fee in the first instance?—Not, I apprehend, if the estate stand in the books of the government as one held by the same title or subject to a common assessment. Thus if a zemindary or a talook, although the parts may be locally detached from each other, or consist of separate villages, a plaintiff claiming under a title applicable to the whole, cannot, I conceive, bring his action for any particular part or village.

454. If the plaintiff recover less than the amount which he claims by the suit, does he get back any part of the institution fee?—He gets back no part of the institution fee.

455. Does the vakeel, although he should recover less, receive the full amount upon the sum claimed?—Yes, upon the amount of the sum claimed.

456. Do those tables which you have produced exhibit an account of the whole of the expenses to which a suitor is subject in the courts in India, in the course of the suit?—No, I apprehend not; they include only the expenses authorized by regulation, and among those there is no allowance for a private agent of any description, although one is almost uniformly employed.

457. Is there not in every cause a mookhtar?—Yes, in most cases.

458. What is the mookhtar?—He is sometimes a servant of the family; some of them are hangers-on of the court.

459. Is the mookhtar or the agent different from the vakeel?—Quite different.

460. Does he not give instructions to the vakeel?—He usually instructs the vakeel as to all facts to be proved or allegations made; he has the charge of the documents on which his client may rest his case, and takes the general management of the cause.

461. Are

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461. Are there, besides the mookhtar or agent, other expenses to which he is subject?—I am not aware of any that are necessary or that could be recognized; but I am afraid that there are charges of which we can take no cognizance, and of which it is difficult to know the amount.

462. Will you state what those charges are which you suppose to exist?—I allude to sums corruptly taken by the native officers, as stated in my former examination; and I have no doubt that the mookhtars often fraudulently charge what they do not expend.

463. Is there any officer or person in the court who taxes the costs of the different parties?—It is the duty of the sheristadar to see that they are according to regulation.

464. In addition to seeing that the costs are according to regulation, is it his business to see that they have been paid?—It is his business to see that the proper stamp is used, in so far as the law expenses are charged in the form of a stamp duty; also, that the amount of the vakeel's fees has been deposited, and its receipt acknowledged by the treasurer.

465. Is it his business to see that the expenses charged for peons and ameens, and for the maintenance of witnesses, have been paid by the parties?—The peons are generally, I believe, paid through the nazir, the officer who superintends the execution of all processes of court.

466. Does the sheristadar ascertain, in fact, that the expenditure has been made, and that it is according to regulation?—Yes; such I conceive to be his duty.

467. How is the value of land sued for estimated in order to fix the institution fee?—In the case of land paying revenue to government, the value is taken at three times the amount of the government jumma or assessment, if it be in the provinces of Bengal, Behar, Benares, or that part of Orissa which is under the permanent settlement; if the land lie in the Ceded and Conquered Provinces, or in Cuttack, which are liable to variable assessments, the value is taken at the amount of one year's assessment; in suits for land held exempt from payment of revenue to government, the value is assumed at 18 years of computed annual rental; in other cases at the estimated worth of the thing sued for.

468. Do the duties of the vakeel include the duties both of counsel and attorney in this country?—He is expected to do all such acts as may be requisite in the court relatively to the suit until judgment be enforced; but the greater part of an attorney's duty is generally done by the mookhtar or private agent of the party, or by the party himself.

469. Does the vakeel receive his instructions either from the party or from his mookhtar?—Yes.

470. Is there any official person employed to instruct him, similar to a solicitor in this country?—No such class is recognized; and though there are many who are in fact professional mookhtars in the courts, they are not legally entitled to interfere in the suits, nor is any part of their charges included in the costs adjudged to the successful party.

471. Does the vakeel in general communicate with the parties directly, or does he in general communicate through a mookhtar or agent?—In most cases, I imagine, through a mookhtar.

472. The mookhtar, or agent, is not recognized in the court as having any authority in the suit?—No; he is not allowed to appear; the party must appear, either in person or by one of the constituted vakeels of the court.

Thomas Fortescue, Esq., called in; and Examined.

T. Fortescue, Esq.

473. WERE you in the civil service of the Company for a number of years?—Yes, I was, for about 23 altogether.

474. Under what presidency were you employed?—In Bengal.

475. Will you state what situations you held generally; in what departments have you been employed?—Both in the revenue and the judicial.

476. How long in the revenue?—For a period of eight or nine years or more, in charge of five different collectorships, three in the Lower Provinces, and two in the Upper Provinces; secretary to three separate revenue commissions, one for the Ceded Provinces, one for the province of Cuttack, and one for the Ceded and Conquered Provinces. In the judicial department, judge and magistrate of the city of Patna, judge and magistrate of the district of Allahabad, subsequently officiating judge of the

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the court of circuit and appeal for the division of Benares; then secretary to government in the territorial department; and lastly, civil commissioner for Delhi.

477. Will you state what, from your knowledge and experience, you consider to be the respective rights of the zemindars and the ryots, in respect to the land which they possessed under the Bengal Presidency?—It is a subject which very early interested me, and I endeavoured to acquire an insight into their respective character and relation. My belief is, founded upon the best inquiry I could make, that the ryots have certain qualified rights in the land which they cultivate; that those rights have been acknowledged by the Mahomedan government, both as to law and past practice; and that though the word ryot is a term of different significations, yet it does, with respect to a certain description under that denomination, give a determinate right.

478. Will you state what you consider to be the qualifications to which that right is subject?—The right is an hereditary right to raise the produce of the soil, receiving of that produce a certain admitted portion, the remainder of which belongs to the government. This opinion goes back to and is founded upon the Mahomedan law, as brought, at the period of the conquest, into Hindostan. India having been conquered by force of arms, the Mahomedans applied their law of conquest to it, which authorizes them to deal with the conquered country in different ways. For instance, they can make the inhabitants slaves, and carry them off; they may replace them by others; or they may leave the inhabitants on the land, and impose upon them a certain tax, denominated kheraj, or revenue. There are other modes also by which the conquerors may proceed: they may divide the country among themselves, and impose a certain demand upon those who share, which is known by another name, and amounts only to a tithe. In the instance of the law of conquest, as applied to India, it is the same as that followed in Syria and Egypt; namely, that the original inhabitants were allowed to remain on the soil, and rendered subject to the tax particularly called kheraj, which thus transferred the property absolutely from the conquerors to the conquered inhabitants. The terms made use of in the Mahomedan law, both with reference to the inhabitants and to the property in the cultivator, are terms of the most positive and definite meaning. The inhabitants are called by the term "Uhul," which means those resident upon the lands; the cultivators are styled "Rub ool uruz," or masters or owners of the soil; and the term property is denominated "Milik," importing the most indefeasible right, and they have the power of disposing of it in any way they choose. The Mahomedan lawyers, in discussing the rights over the conquered land, in no instance mention any other claims to it than those of the cultivator and the emaun, or sovereign of the country; but in speaking of the rights of the cultivators, they define the proportion of the produce that is his, and that which is the emaun's, or governor's, by saying, that the cultivator has a right to so much as shall secure him and his family a comfortable subsistence till the approaching harvest, together with seed for the next crop; beyond that the remainder becomes the government's. There is a person to be appointed on the part of the governor, who is to be careful to collect from the cultivators according to the above data, and who is to be paid from the public treasury; nay, further, certain enumerated descriptions of produce are said how to be taxed.

479. Do you consider that at the time of the Mogul government in India, there was any intermediate class between the government and the ryot?—Certainly; but that class was not a proprietary class, generally speaking; exceptions of course there were; that class consisted of persons who were in possession of the privilege of arranging for the realization of the revenue from these cultivators, and forwarding it to the public treasury. In many instances they got grants or immunities from the ruling power in consequence of their influence, or the utility or the necessity of their official station, or from various other causes; but they did not become proprietors over the cultivators, with power to turn them out, nor did they attain to rights over those in their holdings or zemindaries, beyond that of taking from them the government share of the produce.

480. Was there any regular proportion of the produce to which they were entitled?—The proportion of the produce was to be regulated as I have just described.

481. Was there any fixed proportion of the produce which you could say the ryots were subject to pay to government?—I should say that the demand upon the ryot was always grounded upon this: that it was never to exceed that which should

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leave a sufficient competency for him and his family to subsist upon, and enough to enable him to cultivate.

482. Do you conceive that there was in practice any class similar to that which composes the class of zemindars in India now?—In practice, as we have given interpretation to the word zemindar, certainly not; and we find that the further we travel from the lower and older provinces up to the newer, the right of the ryot becomes more and more definite and tangible.

483. Have not the zemindars of Bengal for a long time assumed to themselves the rights of proprietors?—Yes; after the promulgations at the period of the permanent settlement.

484. Do the zemindars, in practice, upon the expiration of a lease, raise the rent upon the ryots, according to what they consider the value of the land to be?—They do, most frequently.

485. How long has that been the course of practice for the zemindar to act as the proprietor of the land in Bengal?—Since the permanent settlement, his power has been allowed to be nearly absolute; that is to say, applications made by the ryots have proved most generally fruitless, for the establishment of their qualified rights; the courts have not had the means of settling the rights of the ryots, or coming to a knowledge of them.

486. What do you mean by saying that the courts have not had the means?—They have not been guided by the regulations to a knowledge or sufficient estimate of the qualified rights of the ryots, as I have stated; for a ryot is not a tenant at will. nor is he a tenant for life, nor by lease, nor by any naturally expiring term by time, nor liable to be ousted by a higher bidder, as in this country; therefore such meaning or sense cannot be described by the use of the term ryot, whose holding is superior to these; though, at the same time, he is not an absolute proprietor, for he has not the entire right to what he gets. His is a right to the soil, to raise the produce of it, and to a proportion thereof, before the government's share or remainder.

487. Is his right hereditary?—His right is hereditary.

488. Then, according to the former law of Hindostan, he could not be dispossessed?—According to the Mahomedan law, he could not be dispossessed. His possession was fixed, and his interests or rights, with those of the government, secured by law.

489. Is not the Mahomedan law very much modified in the regulations?—Not in that respect; it has never been touched.

490. Do you consider that at this moment, under the regulations, the zemindar has no right to dispossess the ryot at the expiration of his lease, and to take another ryot as his tenant?—The term lease, as used in this country, in respect to the relation between a proprietor and the inferior, does not apply in India, because the ryot is a proprietor; he objects to take a lease from one that would assume that character over him.

491. Does he take a lease?—He is often now compelled to do so for his own advantage under the regulations; his rights are overlooked.

492. So that he is, according to the law and practice as obtaining in India under the regulations, compelled to take a lease in order to insure his possession of the land?—He is not absolutely obliged to take a lease, but it is strongly encouraged, and it is his interest under the regulations that he should do so: there has been much change in the regulations on this point.

493. Do you consider that by the law as it now obtains in India, the zemindar has a right to raise the rent upon his tenant, and if the tenant will not pay the demand, to dispossess him?—I think by the spirit and intent of the regulations, he has not; and certainly by the Mahomedan law he has not, if the rent he raise trench upon or go beyond the data I have given.

494. By the Mahomedan law, could the government exact a greater quantity of the produce in proportion to the improvement of the land, provided he left sufficient for the maintenance of the cultivator and his family?—Yes, the government could; none but the government and the cultivator have a demand upon the soil.

495. Is the payment of rent in proportion to the produce, under the presidency of Bengal?—It is very much lost sight of; the government interfere little or nothing between the cultivator and the zemindar.

496. Do you consider the zemindar to have been originally the mere collector of the revenue of government?—Originally a person appointed to arrange and collect the revenue from the cultivators; his own profits were indirectly derived

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from various sources. The term zemindar has often been, and is still, applied to a person neither considered to be nor claiming the whole proprietary right in his zemindary.

497. Had he no per-centage?—It does not appear that there was an exact per-centage, but there was an allowance which was tantamount thereto, called "nankar;" "nan" meaning literally bread, or an allowance for subsistence. The persons denominated zemindars, did, many of them, possess property in a village, and whole villages too.

498. In point of fact, did he originally derive a certain profit from his situation as zemindar, out of the produce of the land?—Yes; but distinct from and without infringing the property right in the soil and its produce, as I have described, belonging to the ryots.

499. You consider, that under the Mahomedan law, the zemindar has no proprietary right in the land?—Generally speaking, it is so; in many instances he is a part proprietor with the rest of the cultivators, and has a village or villages cultivated by his own family or hired persons.

500. He is a participator in the produce of the land?—Yes, as I have just described.

501. You mean by the Mahomedan law, not in practice?—There is this distinction in the zemindaries; that in Bengal the zemindar is now held to be a large proprietor of estates, whereas in other parts of the country he is but a small real sharer or proprietor in them. The name is often made use of by and to a person dealing directly or indirectly with the government for his holding; and being the proprietor of it really, or not the proprietor, it is indiscriminately applied, without any consideration of locality, or correct notion of right.

502. Do you consider that the zemindar has not a right to raise the rent of the ryot?—He has a right to regulate his receipts from the ryots, according to the rates prevalent in the pergunnah and neighbourhood; beyond those rates he has not; nor beyond what shall leave him a secure subsistence.

503. Do you consider that the law under the Mahomedan government is now modified by the regulations?—I think what I have stated was and is the Mahomedan law, and should be the just practice under the regulations. The persons termed ryots object to take leases from those placed over them by the term zemindar, because that implies a proprietor above them, whereas they consider themselves the proprietors, and it would be lowering themselves to do so; not that they dispute the right of the government to take the proportions due from them, but that they deny the right of any individual between them and the government as affecting their inherent prescriptive right of remaining upon and raising the produce of the property they cultivate. The Mahomedan law gives them liberty to dispose of that property as they choose; at all times, however, that property is subject to the demands of the government.

504. But of all that is not subject to the demands of the government they consider themselves the proprietors?—The Mahomedan law establishes their right first; it proceeds upon that principle. The instructions to their agents are to regulate their settlement with the cultivators, so as to leave them what I have described, and to bring the remainder to the public treasury; that is the Mahomedan law, and it never has been touched. I consider that the regulations have, in spirit and intent, always reserved the rights of the ryots, though they never defined them; but upon the data I have mentioned, they might build what would make the cultivators a contented and happy people, which is not now at all the case.

505. You do not conceive that there is any exact definition of the rights of the ryots by any regulation?—Certainly not; I believe also, that if the pergunnah rates for regulating the demand of the government from the ryots had, at the period of the permanent settlement, been recorded and fixed, the property of the ryots in the soil ere this would have been very valuable, and have rendered them most comfortable; such rates were recorded in some instances, and have been appealed to.

506. You think it is a defect in the permanent settlement that they did not fix and ascertain the exact rights of the ryots?—Certainly.

507. In point of practice now throughout Bengal, does not the zemindar, when he thinks that he can obtain a higher rent for his land, dispossess the ryot, and let it to a person who will give him a higher rent?—He cannot do so avowedly by aid of the regulations; but practically he can, though it is not intended that he should; the

the ryot is impotent, and cannot secure himself in the enjoyment of the qualified right I have endeavoured to describe.

508. Can he not maintain his right in the Zillah Court to keep possession of his land upon the terms that you have mentioned?—If the terms that I have mentioned were by the regulations acknowledged as a principle or basis which the courts might assume, he could establish his right; but there is no such data or ground given to aid or direct them; they have no points or precedents as it were set before them.

509. Do you think that there is no regulation sufficiently explicit to enable a judge to decide any case where there is a contest between the zemindar and the ryot, in favour of the ryot who chooses to maintain his possession without agreeing to an increase of rent upon the part of the zemindar?—I do not think that the regulations generally are sufficiently clear to enable him to establish that point; some particular cases are provided for.

510. You say that the zemindar has no power by the regulations to increase his claim upon the ryot, but that he does it practically; how does he manage to do it?—The regulations have never intended that any rights which the ryots possessed should be violated; they have constantly and generally expressed that; but they have never distinctly specified what those rights are that they wished should be upheld in the person of the ryot, nor have they, in consequence of the want of that definition, given the court sufficient means of determining disputes of that kind between the two parties.

511. In point of fact, do you mean that those regulations have not been enforced in the way that they were meant to be enforced?—Yes, with respect to the ryots.

512. And that, in point of fact, the zemindar treats the ryots as a proprietor does his tenants in this country?—Yes, very nearly so.

513. Has there been any case brought into the courts in which a ryot has attempted to establish his claim?—Many; I have not myself had to do with any; but I know, from conversing with judicial officers on that point, that they have felt the impracticability of protecting the ryot, from want of any sufficient data by which to regulate their decisions.

514. In those cases where you state the zemindars come before the court, supposing the ryot to be able to establish his right, as derived from the Mogul government, and to show that the spirit of the regulations was, that that right should be preserved, would not that court listen to that right, and be likely to support it?—I think the courts would, and should be bound to uphold it.

515. Then the difference is, whether they have that right or not?—My opinion is, that the unaltered Mahomedan law gives them that right, and that if the government and the courts had gone back to look for principles to regulate their conduct, they would have found that there were only two persons, the government and the ryot; that the ryot had a certain proportion of the produce, and that the remainder was the government's. There has, in my opinion, arisen a great deal of difficulty and injustice from not following that course.

516. Supposing that it is acknowledged that there are only two classes, the government and the ryot, is it not possible that the government might transfer any portion of that right to other persons?—Certainly; but no more than its own remaining right. The Mahomedan law of conquest, and immediate practice, has already declared and settled the cultivator's rights.

517. But the zemindars, you say, exercise a greater right than the government possess?—The zemindars endeavour to become what the ryots ought to be considered as.

518. Do they act thus independently of any grant from the government?—The regulations declare them to be the zemindars or proprietors of the soil, reserving however, in the most explicit manner, the rights of all classes of cultivators.

519. By what regulations is that declared?—By the regulations of Lord Cornwallis in 1793, and also by the minutes of his Lordship recorded anterior to that.

520. Was it a total departure, when he made those regulations, from the system which had been previously adopted?—When he formed the regulations, the government was satisfied that there were rights in the ryots, but what they were they knew not precisely. If they had adverted to the Mahomedan law of conquest, and its application to India, they would have found, in my judgment, a basis upon which to build.

 521. Do

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521. Do not you consider that those regulations of Lord Cornwallis were settled, after considerable deliberation and inquiry, by persons who had knowledge upon those subjects?—Certainly, very great; but at this moment there are as many, and perhaps more, who upon research are disposed to favour the rights of the ryots, and to consider that the zemindars have none such as the regulations now give them.

522. Is it not a point upon which there is a very great division of opinion in India, the respective rights of the zemindar and the ryot?—Yes; but not so great as formerly, I believe.

523. Among persons well informed upon the subject?—Quite so.

524. You say that the spirit of the regulations has not been acted up to in that respect?—I think so.

525. You say that the spirit of the regulations has not been acted up to, therefore you suppose the spirit of those regulations to have been of that description as to acknowledge the right to be solely and simply in the ryot; but does that appear to be the case?—No.

526. Therefore the spirit of the regulations is not such as you have described?—What I mean is, that the intention of those who made the regulations, and of the regulations, was, when they constituted the zemindars such as they did, that the ryot's rights, undefined as they were, though evidently believed to exist, should be upheld; and that by the Mahomedan law and practice the ryot was entitled to possession, and such portion of the produce as would make him comfortable and easy, and secure the cultivation of the land, which is a right superior to most tenures. The spirit of the regulations does not go so far as the question implies; for if so, it is presumable they would have done more than guard by declaration that (the ryot's rights) of which they possessed not the requisite knowledge to describe minutely.

527. Supposing he neglected to cultivate the soil, what course would government take?—That is provided for by the Mahomedan law, which says with regard to it, that if a man does not cultivate, the governor or some person on his part shall, if he is unable to cultivate, advance him the means of so doing. If he neglects to cultivate, or abandons the soil, still the government have a demand upon him; and why? because he had the power of giving or lending it or hiring the land to whom he chose; and being therefore the proprietor, he is still liable to the claim of the governor.

528. Do you consider that the hereditary right of the ryot has been rejected, or in fact altogether done away by the regulations passed by Lord Cornwallis in 1793?—I think by the practical operation of the regulations they have been nearly effaced, except in some special cases provided for. Travelling to the Upper Provinces from the Lower, those rights are found to be much more respected and clear, particularly so in Bundlekhund and Delhi; in short, where the government have least interfered, there the rights of the ryots are more marked in the soil.

529. You do not consider that by those regulations of Lord Cornwallis the hereditary right of the ryots has been all extinguished?—No; there are particular instances in which that has been the case.

530. Are there particular parts of India in which that hereditary right is acknowledged more than in others?—Very greatly: passing from Bengal upwards into the Ceded and Conquered Provinces and Delhi, it is more distinctly marked.

531. Do you think that the judges in those provinces would decide in favour of the hereditary right of the ryot, if it came in question?—Distinctly so in many parts; I would not say in all.

532. And in the lower parts of Bengal the rights of the ryot have been put a stop to?—Almost, with certain exceptions.

533. And the zemindar possesses the same power with reference to his estate, that the proprietor in this country does?—Yes; very nearly so practically.

Jovis, 9° die Aprilis, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

James O. Oldham, Esq., called in; and Examined.

IV. JUDICIAL.

James O. Oldham, Esq.

9 April 1832.

534. WILL you state in what capacity you have served in India?—I was Collector of land revenue in the Ceded and Conquered Provinces; and after that, Zillah Judge of Moradabad; and last of all, Judge of Circuit at Bareilly.

535. When did you go to India?—In 1798 I went, and in 1823 I left it.

536. Were you employed in the administration of the police?—I had the charge of the zillah of Moradabad; the police of zillah was entirely under me and my assistant for seven years.

537. Have you turned your attention to the question how far it would be possible and expedient to employ natives more extensively than at present in the administration of justice in India, and if so, be pleased to state the result of your consideration upon that subject?—I do not think that the employment of natives to a greater extent would be attended with any beneficial result in the police. I think the further the native police officer is from the European superintendent the more likely he is to abuse his office. That perhaps some of the situations are not sufficiently well paid. I think that many of the police situations are not paid agreeably to the responsibility. If you put men, whether Europeans or natives, in situations of great responsibility, the pay should in some measure correspond. I think that the jurisdictions are, generally speaking, too extensive for one European; that they should be subdivided; and young men, as soon as ever they go out almost, who, under other circumstances, would be hunting and shooting, and idling their time, if employed, and feeling a responsibility, would become valuable servants within a year or two after they went out. I think that the whole of those who are now detained in Calcutta doing nothing should be sent up to the different zillahs, and immediately employed under the collectors or judges, where they would gain a knowledge of the languages, and of the customs and habits of the people by intercourse with them. Prior to their being nominated to any situations of trust, where they had any great responsibility in themselves, they might be examined as to their knowledge of the languages, &c. But they might be very useful long before that, when they are employed under an active watchful magistrate or collector, who will know exactly how far to avail himself of their qualifications for the public service. And I would not have the judge or collector bound by any law to employ them in any particular manner, but leave it to his discretion, agreeably to the ability and the assiduity which he may discover in them.

538. Having said that some of the situations in the police are not sufficiently well paid, do you mean that they are not sufficiently well paid to induce the more respectable class of natives to become candidates for such offices?—I do; or at least if they become candidates, it is with an intention of peculating.

539. Should you make the same remark as to the employment of natives in judicial situations?—Yes, I should certainly, but particularly the Mahomedan law officers, who sit with the judges of circuit in court, and give their decision whether the fact is proved or not, as a jury do in England. Those officers have 200 rupees a month, and when on circuit, are probably obliged to spend 150 of it; and should they lose their situations they may starve, for there is no such thing as a pension for them to retire upon. Now, those men might be pensioned without any material sacrifice by the government, after a fixed period of service, because of their age, being usually upwards of 50 years of age before they get those situations, and they are not a long-lived race.

540. Do you mean to say generally that the judicial situations occupied by natives at present are not sufficiently remunerated?—Yes, I do. I have pointed out the law officers of the courts of circuit, and I may add to them those of the zillah courts.

541. Can you give some general idea of the scales of emolument; are they not matters of regulation?—No, I think they vary, and are fixed by government, on

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special representations. I dare say I am not inaccurate in stating that the law officers of the courts of circuit have 200 rupees a month; that the law officers of the zillah courts have 80 and 100: but then, again, the law officers of the zillah courts have a stated allowance upon their decisions; they decide causes to a certain extent.

542. By the law officers, you mean the Hindoo pundit, and the Mahomedan cauzee or moolavie?—Yes.

543. Are their salaries pretty much upon the same scale?—The law officers in the court of circuit are all Mahomedans, there are no Hindoos. There is a pundit belonging to the court, who merely answers questions as to law in the court of appeal. The same judges sit in both courts; no pundit accompanies the circuit, therefore when an opinion on Hindoo law might be required, reference would be made by post to the sudder station, or the opinion of the zillah pundit taken.

544. In the court of appeal, which is composed of the same judges as the court of circuit, is there not for the trial of appeals in civil cases a Hindoo pundit attending on the judges?—Yes, in civil cases, but he has not a seat in court the same as the Mussulman law officer has, but he is in an apartment in the same building, and questions on Hindoo law are sent to him in writing, and his answer forms part of the record of the civil case.

545. Then the Committee are to understand that the Hindoo law officer forms no part of the attendants on the court of circuit?—No, certainly not; he remains at the sudder station, while the judges make the circuit. But any question on Hindoo law that requires an answer is referred to him, or the zillah pundit. The criminal law is Mahomedan.

546. The civil cases are not tried on appeal upon the circuit at all?—Oh no; the circuit is for the gaol delivery.

547. Will you state more fully your ideas as to the mode of training young writers in India to be employed in judicial situations?—I would, in the first place, insist upon their being with the judge of the zillah in court during the hours that he sits daily, for at least, we will say, the first 12 months, or with the collector, it would be just the same thing if the collector is making a settlement, by which he will get more practical information in 12 months than he would in 10 years at a college in Calcutta, or any where else. By a settlement, I mean assessing the revenue of government on the land, which yet remains to be done in the Ceded and Conquered Provinces. I consider that the collectors so employed have a most laborious duty; that young men, if sent immediately up to them, instead of being kept at the College, might very soon be made useful, and certainly, as I have said before, would learn more in 12 months than they would in 10 years elsewhere.

548. But with respect to the other provinces, what would you say?—I think the plan would succeed in every province of the British Empire.

549. It is understood that the education at the colleges in India is confined to the instruction of the native language?—Yes. Such was the case in 1801.

550. Do you think that there would be any use in having a system by which some of the general principles of law should be communicated to the young men who are to practise judicially?—Our courts are more courts of equity than law, and the less of law the better, I should think, generally speaking. I think if a man has the opportunity of gaining a general knowledge, it might be certainly of great benefit to him to attend public courts any where, either in this country or Calcutta, or any where else; and am of opinion, with regard to the native community, that the less of law and the more of equity they have the better.

551. What age would you have them go out, generally speaking?—I think about 18, not before.

552. And should you conceive that their education, previously to their going out, should be of a general nature?—Yes.

553. Not directed to any particular department which it was supposed they might pursue in India?—They have opportunities of hearing, I believe, lectures on jurisprudence, of attending and getting information on every subject at the College in England.

554. From your observation, should you say that the young men employed in judicial situations are competently instructed?—I answer to that (it is a general question), I have met with many young men that I should say were extremely well qualified; there may be exceptions.

555. You

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555. You do not think there is any such deficiency as requires particularly to be provided for?—No, I certainly do not; and particularly the young men who go out in the present day; perhaps many years back there was some lamentable deficiency.

556. Do you think the College at Haileybury has answered a good purpose in that respect?—Oh, certainly, as far as regards general knowledge.

557. Do you not think that a young man having received a liberal education, and among other things, having been versed in the general principles of jurisprudence, would be more fit to enter upon a judicial function in India, than a person who had not the advantage of that education?—I certainly must admit that, inasmuch as all knowledge enlarges the mind.

558. But in general, perhaps, you think that the time which would be devoted to this sort of previous education might be better employed in obtaining a practical acquaintance with the manners and customs of the natives?—Yes.

559. But could he not obtain that after having gone through a certain degree of study of the principles of jurisprudence in this country?—There is nothing to prevent that, certainly.

560. Do you think that by those means his entering upon service would be protracted to any inconvenient period with respect to acquiring the language by his remaining in this country for the purpose that has been mentioned?—Perhaps not, supposing him to go out at 19 or 20, instead of 18.

561. Or 21?—No; we are getting on too much then; 19 or 20 perhaps.

562. You would not recommend any young man going out to India for the civil service, either judicial or revenue, to go out at a later age than 20?—I think not; from 18 to 20, I should say.

563. You say that on the ground, that past that time the language is not so easily acquired?—Yes; and that before that time their minds cannot have been sufficiently cultivated.

564. Do you think that the language is better acquired before or after 20, generally speaking?—Oh, decidedly before.

565. Should you say that from experience?—Yes, certainly. I have in my eye now several young men who came out very young, and who made such proficiency, that those who were a few years older felt a good deal ashamed and annoyed at being classed with them, although these were men perhaps of better sense and judgment than these lads, but had not the quality of attaining the language.

566. In speaking of the employment of natives in the courts of justice, do you think that it would be possible to employ them to judge alone, or must it be under the supervision and with the assistance of Europeans?—We dare not trust them alone.

567. Do you think that by giving the suitor an appeal from the judgment of the native judge, the native judge might not be trusted?—He is already trusted in a measure now, I think to the extent of 100 rupees. An appeal lies from the decision of the moonsif to the judge, and the judge either decides it himself, or again refers it to his registrar or to the sudder aumeens.

568. The sudder aumeen is a superior officer to the moonsif, is he not?—Yes; the sudder aumeen remains at the principal station; it is a situation that the moonsifs look up to. The aumeen has a better salary, and tries original suits to a greater amount than the moonsif, upon which he has a per-centage.

569. In practice, did you find there were many appeals from decisions of native judges in these cases of small amount?—I think the decisions of here and there one or two of the moonsifs were uncommonly good; of those whom I had to look after.

570. Those that were appealed?—Yes. Although the judge usually makes them over to the sudder aumeen or to his registrar, yet he should occasionally take up a few from each to see in what manner they get through their business. Considering them as well educated for natives, they are sure to know almost on which side right and wrong lays, being on or near the spot where the cause of the action arises, and knowing the customs: if honest, they would be almost invaluable.

571. If they could be trusted they would make the very best judges, would they not?—I think undoubtedly they would, because they are not wanting in ability; but then the acutest are in general the most corrupt.

572. Do you think there is no hope, by establishing better pay, of trusting them more than at present, by giving them a sense of responsibility, and possibly by courting

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courting something more of the public opinion of the country than there is at present, that they should be improved for the purpose of the administration of justice?—Yes, I do think that selections might be made from among them, I would say from amongst the Mahomedans.

573. Why do you draw a distinction in favour of the Mahomedans?—I can only speak from my own observation of those who have been under me, and I have found them more trust-worthy than the Hindoos.

574. With this opinion, do you think it possible that the native Mussulmen might be more employed in the administration of the criminal law of India?—I think a selection might be made here and there, which would have a very happy effect; in which case, the individual selected should be entitled to a pension after a fixed term of years of approved service. This provision for old age might be the means of ensuring honesty in the conduct of many whose principles might otherwise not have been proof against temptation.

575. Do you conceive that the employment of natives in judicial stations, either civil or criminal, would attract the confidence of the natives themselves, if they were not liable to the supervision of Europeans?—No; I do not think a native could trust a native; I should say, certainly, generally speaking, that they would prefer an European jurisdiction.

576. Should you say generally, that among the natives there is a want of regard to character?—Oh, most decidedly.

577. Is there any hope that that will be remedied, or in what way is that to be hoped?—The state of feeling among the natives affords little hope of so desirable a change.

578. There has been an idea started, that an increased employment of the natives, and showing them more confidence, would have the effect of reducing the qualities for which credit is given to them?—In a certain degree I should think it might have a beneficial effect. Although they might receive a higher pay, and be put into situations of greater trust, yet I would not remove them far from European superintendence.

579. Do you think it would be safe or politic to employ the natives as justices of the peace in India?—By no means.

580. From what cause do you think it would be unsafe or impolitic?—That they would abuse the trust, and make it a source of emolument to themselves, and that in such a manner that it could not be easy to detect them, for they would not absolutely seize on a man's person, but they would let that man know that he may be called before the police unless such sums were paid, and let him know it in such a way that it could not be traced out; and the very circumstance of a native of any rank being called before the police is a disgrace; it is considered so among themselves. But what I am saying now refers entirely to the Ceded and Conquered Provinces; it may not be the case to that extent about Calcutta or in Bengal generally. But the last 17 years that I was in India I was in the Ceded and Conquered Provinces, and am speaking only of those provinces.

581. Do you mean that your answers generally have reference to those provinces?—I should say all, except to such questions as have been put to me regarding European writers and so on. I give no opinion as to Bengal, Behar, or even Benares.

582. Should you suppose if Europeans were to enter the country in greater numbers, either as residents or settlers, that means could be found for any system of justice adapted to that state of things?—The present jurisdictions there, must be reduced greatly; jurisdictions might be made of perhaps one-fourth of the present extent if there were European settlers.

583. The extent of country you mean?—Yes, the extent of country, supposing the zillahs now to be of as great extent as they formerly were, having myself had charge of zillahs of 140 miles and upwards in length.

584. Would that change involve the increase of the number of European judges of all kinds, or European justices of peace?—Why, yes, I think it must, for a young man of three or four and twenty could scarcely be trusted, I think, in such a jurisdiction where Europeans would have to come before him.

585. Do you think that in any case Europeans could be safely made subject to the jurisdiction of a native judge?—I should be very sorry to see it; I do not think that a native judge, generally speaking, would have firmness sufficient to act in

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in that capacity where Europeans were concerned; and if he had, then on the other side of the question, I think it would have a bad effect.

586. In what way?—It would serve to depreciate the character of the Europeans in the estimation of the natives. I am now talking of the Ceded and Conquered Provinces. There are no Europeans there but the Company's civil and military officers, except perhaps here and there half-a-dozen camp followers, who are treated as suttlers of the camp.

587. Are there no indigo planters there?—There was not one in either of the districts I had charge of; there was not an European indigo planter in them all. I believe that there might have been one or two after I left.

588. Does your objection to the employment of native judges apply to the police as well as to the civil and criminal law?—Certainly, to both branches.

589. Then, in point of fact, the administration of justice would be much more expensive in case of the introduction of European settlers and increased numbers?—Undoubtedly; to say double would be short of the consequent increase.

590. Do you think there must be a very great change in the state of feeling of the natives and of the Europeans, before the native agency can be employed as judges where Europeans are suitors, or where they are the persons tried?—Certainly, that is what I think.

591. Do you think that natives, in civil cases between natives, might be employed to a very considerable extent in point of amount, liable to the supervision of a European judge?—Perhaps the amount might be increased, that is, the sudder aumeen might decide to a greater amount, and I say that, because they are immediately under the personal observation of the judge himself, and if there was any great rascality going forward in the way of bribery, it must come to the knowledge of the judge through some of the people about, before it went to any great extent. Now, those who are employed at a great distance I should be loath to trust.

592. Then, generally, you think that even the presence of the European judge, or at least his vicinity, is of some importance?—No doubt, if he is a man who does his duty well, as I hope I may say the greater part of those with whom I was acquainted did; yet there may be exceptions.

593. Do you think very low natives could be employed to discharge properly the function of juries in either civil or criminal matters?—I have answered that question already in my letter to Mr. Villiers of the 28th of October 1831, and I beg to give that as my answer: "With regard to the employment of native juries, punchayets and assessors in civil or criminal trials, I am most decidedly of opinion, that the measure would be attended with great evil; the influence and authority of the zemindar is such, that individuals could not be met with sufficiently independent to give a just decision, when that decision should be at variance with the zemindar's interest. This I mean generally. The inhabitants of cities and large towns would form exceptions, but even from them I should not expect impartiality."

594. Do you think that for the purpose of forming a jury on circuit, the neighbouring towns could supply a sufficient number of persons to be jurors?—I think that men of sufficient ability may be found who, if not at all acquainted with the parties at issue, might give a just verdict; but corruption is so widely extended amongst them that the prisoners or their friends would, by some means, influence the jurors. Being therefore not independent men, their decisions could not be relied on.

595. When you speak of the influence and authority of the zemindar, will you explain to the Committee why that should prevail in all the ordinary cases that might be supposed to occur between individuals with respect to their private affairs, or in criminal matters?—I would say, in nine instances out of ten of the cases that occur out in the villages, the zemindar has an interest one way or the other. Of the zemindar's authority and influence I will give you one instance, in a case that occurred to me. A murder had taken place in the district of Moradabad, about forty miles from Moradabad. The thannadah, as is usual in those cases, proceeded to the spot to make an inquest on the body, and to inquire for witnesses of the fact: he took the evidence of one witness, who deposed he was present at the time the murder was committed, relating circumstantially the number of sword wounds given, the distance he stood from the deceased, &c. I mean merely to state that the most minute particulars were given by this man as an eye-witness; the man was summoned before me as a magistrate, for his evidence to be taken again. The man's

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man's name, as usual, was asked; he gave his name correctly. His father's name was asked; he gave that correctly. He went through the whole circumstances *verbatim*, as reported before the thannadah; but when I began to ask him a little more, and cross-questioned him a little, he lost himself quite, and seeing that I suspected there was something that there should not be, and followed it up, the man having no answer to give, at last said, "The whole of the evidence I have given is by order of the zemindar. I am not the real witness, but am come to personate him by the zemindar's orders." "Well," I said, "don't you know you are liable to seven years' transportation for a thing of this kind? here you are taking a man's life away by swearing this." To which he said, "What can I do? the zemindar told me to do it." Now, when matters are in that state, would you have a jury of such men?

596. Would that be at all a just sample of the feelings of men of that class?—I have no doubt but what there are numerous other instances of it; and I have no doubt that a large proportion of those men acting or immediately near their zemindar, and depending upon him for their food, &c. would in that manner personate any body else at the instigation of the zemindar.

597. Do you think the authority of the zemindar capable of suborning persons to act in that manner?—I do not much doubt that, whenever their interest is materially concerned. I think at that time Mr. Ross was the circuit judge, and when he came round (I was then magistrate), he sentenced the man to six or seven years' imprisonment for it.

598. The man who had sworn?—Yes.

599. In the criminal courts, the moolavie, or Mahomedan law officer, hears all the evidence, does he not?—Yes, he does in the court of circuit.

600. And does he find the fact?—Yes, he does; he says "guilty," or "not guilty."

601. Does that finding or verdict of the Mahomedan law officer include both law and fact?—The futwah of the law officer declares whether or not the fact is proved, and states what the Mahomedan law may be; but the judge decrees the punishment according to the regulations of government, substituting imprisonment and stripes with the corah, for the sanguinary awards of amputating limbs, &c.

602. Upon a charge of murder, does the moolavie find the verdict of "guilty," or does he find specially the fact?—No; "guilty," or "not guilty." As soon as ever the whole of the evidence is taken, the judge makes it over to the moolavie for his futwah, which is his decision of whether the fact is proved, and how far perhaps the whole may not be. Sometimes, if the judge agrees with him, and it falls short of death or transportation for life, the judge records his opinion, sentence is carried into execution; if the judge disagrees with him, then the whole trial goes down to the sudder nizamut. But if the law officer finds that the fact is not proved, the prisoner is released immediately, unless indeed the judge, as an extraordinary circumstance, sees there is something improper, and takes on himself the responsibility of sending it down; but generally speaking, the prisoner is released immediately.

603. Now, supposing the charge is murder, and the facts given in evidence do not support that charge, is the verdict of the Mahomedan law officer confined to finding the facts not proved, or may he go on and say, that the facts do not amount to murder?—Certainly, he may say "homicide."

604. He may say it does not amount to murder, but to a lesser description of crime; "homicide?"—Yes.

605. If the Mahomedan law officer finds the prisoner guilty, the judge must either pronounce sentence, or he must refer the whole matter to the sudder, must he not?—If he finds him guilty, yes; if it is a minor offence, anything short of transportation or death.

606. He has no power to reverse the verdict, or futwah as they call it?—Oh, no. I have never met with but one man who would write his futwah and give his judgment without trying first indirectly to obtain the opinion of the European judge.

607. Do you think that that feeling would operate full as strongly, if not more so, if there were juries in civil or criminal cases?—Decidedly so, if they were neither under the influence of the zemindar, nor biassed by their own interest in favour of either party.

608. When you speak of the law officer attempting to ascertain your opinion before he gave his own, do you suppose that that was owing to a distrust of his own judgment, or a desire to win your favour?—No distrust of his own judgment; certainly not.

609. Purely

609. Purely a desire to win your favour?—Exactly so.

610. But when, as of course you resisted that attempt and compelled them to decide, could you trust their judgment?—Certainly; and I have met with one man, as I mentioned before, who never tried to ascertain the opinion of a judge, but gave his opinion.

611. Does the judge put the questions in general to the witnesses?—The native sheristadah or moonshee, who writes the examinations, puts the usual preliminary questions, and will continue to go on until the judge takes it up himself, and puts questions: and perhaps in little thefts, and matters of that kind, the judge will let the sheristadah go on, as a matter of course, with a great deal of it; but in matters of moment the judge will take it up sooner.

612. Does the law officer put questions?—The law officer is at liberty to do it, and perhaps occasionally may, but it is seldom that he does; the law officer is at liberty certainly by the regulations to do it.

613. Does he suggest questions?—I think he rather suggests than puts them.

614. Now after the judge has taken up the examination, does the sheristadah afterwards interfere at all in the examination?—The judge, when he leaves off, will sometimes say go on, and ask as to such a question; sometimes the examinations are so very voluminous, and some of the evidences very material, and others not so.

615. Is the whole taken in writing in civil as well as criminal cases; are the whole proceedings taken down in writing?—Why, with regard to civil cases, the vakeels, who are the counsel, do not plead *vivâ voce*, they give in their plaint and answer, reply and rejoinder. They bring it written into court, so many days being given between the receipt of each for them to answer. The evidence of the witnesses is also taken by the sheristadah in presence of the vakeels, and signed by the counsel on either side. If they were only signed by the counsel on the side of the plaintiff or the defendant, there might be a doubt about their being admitted by the other party, and therefore they are signed by both.

616. But, pray, are the vakeels of either party not heard on matters that occur during the pendency of the cause from time to time, what we should call interlocutory matters?—I cannot say they are not heard, but they do not plead in the manner they do at the bar here: they may find occasion sometimes for an observation, but not at any length.

617. No presenting a petition, for instance, to the judge?—Undoubtedly they may, and do present petitions constantly. After the answer has been given, the reply or the rejoinder, something may have escaped them, and then they will give in a petition, requesting that evidence may be taken on that point, so as it is given in before it comes to the hearing.

618. And they may be heard *vivâ voce* on the merits of that petition?—No, not heard *vivâ voce*, if it is given in beforehand in that manner; but occasionally during the trial they will be heard to a certain extent, if they have anything to bring forward in proof that the proceedings are at variance with the code of Indian laws.

619. Anything to show the proceedings are at variance with the regulations?—Yes, anything to that effect.

620. Are they heard willingly by the judge when they apply to be heard upon those particular points?—I have never been in any other man's court than my own, and therefore I can only speak to what I have done myself as judge of circuit or appeal. I do not recollect any complaint of that nature against the zillah judges.

621. You heard no complaint about their being prevented addressing the court on any point that was thought necessary?—No, it is not customary for them to address the court, but I have never heard any complaints of their being prevented.

Jovis, 12° *die Aprilis*, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

IV.
JUDICIAL.

Hon.
W. Leslie Melville.
12 April 1832.

The Honourable *William Leslie Melville*, called in; and Examined.

622. TO what department do you belong?—The Bengal Civil department.

623. In what capacity did you serve?—I was for a short time in the Commercial and Salt departments, and I have been occasionally employed in the Revenue, and in some degree in the Political department, but I have served principally in the Judicial line.

624. In what judicial situation were you?—I served as Register in different districts; and in the year 1817 a rebellion broke out in the district of Kuttack, and I was employed with others in endeavouring to restore order in that province. I was afterwards Judge and Magistrate of the district of Ghazeepore, and I subsequently officiated as Judge in the court of appeal and circuit of Moorshedabad; and before leaving India in 1830, I was Commissioner of Circuit under the new arrangements at Bareilly, for one year.

625. Has it occurred to you that the judicial system, as administered by the Company's court, is susceptible of any improvements; and if so, name them?—The administration of criminal law seems to me much more satisfactory and perfect than the administration of civil justice. It is efficient in declaring punishment, in trying offenders, and more particularly in securing the innocent; but I am of opinion that the trial of offenders was better conducted under the courts of circuit than under the establishment recently created of resident commissioners. Some of the reasons for this opinion I stated in what is technically termed a Circuit Report, or Report written at the conclusion of a half-yearly sessions for Bareilly, and dated in October 1830, at the time I filled the office of commissioner there. I am further of opinion that the variety of characters and of views prevailing among the successive judges of circuit, with jurisdiction over an extensive range of country, freed them from local bias, while it tended to keep the whole of the subordinate district establishment alive and active. On the other hand, the more limited and local jurisdiction of the commissioners contributes, I think, to narrow and dull what falls within reach of their influence. Much immediate inconvenience has been occasioned too by suddenly placing officers whose lives had been passed in the revenue department, to preside in courts of circuit and regulate the conduct of experienced magistrates. The administration of criminal law under the system devised by Lord Cornwallis, has always appeared to me, as well as to other much more competent judges with whom I have communicated, to be the most successful part of our administration. Our civil courts are less successful, principally, I suppose, because the transactions coming before them for investigation are, as in other countries, much more difficult and complicated. Two or three circumstances appear to me to have contributed also to render the civil courts less efficient than the criminal; one is the absence of check over inferior courts, from the want of a sufficiently rapid decision of appeals. The case of a criminal must be decided in a few months, and any error of the judge is promptly rectified by his superior; but a civil trial, however erroneous the decision, generally lies over for years untouched, and before it is examined the subordinate judge who has decided it is removed, the interest is passed, and the dry correction of the error is inserted in a fresh decree. In criminal trials, again, the highest court (or nizamut adawlut) holds English proceedings, and records in that language its opinion upon the case, pointing out any particular error committed in the conduct of the trial; while in civil suits there is generally no such powerful check. It must be admitted, too, that the constitution of the courts of appeal, and the perpetual liability of the judges to be interrupted in the middle of the civil causes before them by the return of the period for making the circuit, very much impeded and injured the transaction of civil business, and tended to throw much indirect power into the hands of the native officers. Much attention has been paid to the maintenance of proper tribunals and the use of effective processes, and many sound and right decisions are certainly given; and yet I am afraid

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we have failed considerably in giving a prompt restitution of things unjustly taken away or withheld. There seems to me a particular deficiency in the simple, distinct, uniform and constant recognition of rights, and in the effective enforcement of them: the rules, principles and precedents which should guide our decisions are not sufficiently adhered to; a succession of judges in the same court or in appeal take different views and pass a variety of orders; the case swells and too often exhibits a mere mass of confusion, from which it is no easy task to select the materials necessary for arriving at a correct conclusion. There are scarcely any laws, correctly so speaking, defining rights; we are obliged to frame our decisions either with reference to general principles or to the decisions of the sudder dewanny adawlut, or chief civil court, five or six volumes of whose reports have been published. I should conceive that they compose a valuable foundation on which a system of law might now be commenced. The recent arrangement, which will draw many valuable officers from all concern in the administration of civil business, to employ them as commissioners of revenue and circuit, seems to me to have further tended to deteriorate the administration of civil justice; but so lately as November last I understand that a civil court has been established in the western provinces. The measure appears to be a very judicious one, but I am not yet informed of the details. Perhaps I may be allowed to recall attention to an observation of the late Sir T. Munro, that the constitution, by which I understand the system of administering law and collecting revenue, should not be altered in India without authority from England: although in many respects the Indian government cannot be left too free to act on its own responsibility, yet I incline to think that such changes as these should only be undertaken after that deliberate and cautious inquiry, and with that prospect of stability which a full and anxious discussion has so great a tendency to promote.

626. You have alluded to the employment of natives in the judicial administration; do you conceive that they might be more extensively employed than at present, or that any arrangement might be made so as to render such a change of system efficient with respect to the administration of civil justice?—I observe that by a recent alteration in November last, the powers of the moonsiffs are considerably increased. I am generally favourable to the extension of the power of the moonsiffs, but in regard to the exact mode in which the recent change will operate, I am not yet sufficiently informed of the details to be able to judge.

627. Is there less complication in pleading in criminal causes than in civil, in your courts?—Pleading in criminal causes we have none.

628. Are your proceedings *ore tenus?*—Entirely; there is simply a charge inserted in the calendar, and that charge comes to trial without any pleadings.

629. In civil causes are your pleadings conducted in Persian?—They are.

630. Do you think that a desirable system, being in a language foreign to all parties, plaintiff, defendant and witnesses?—It is at the same time generally and familiarly studied by every native of education or rank in India. I have never paid any particular attention to the point myself; but partly from its having been so long and generally employed, and partly owing to the structure of the language, I believe it is found a more convenient and shorter mode of expressing evidence than the other native language of India.

631. Should you think the gradual substitution of English advisable?—The gradual substitution of English I should certainly think very desirable, but it must be very gradual. Our Bengal provinces are not at present prepared for such a change.

632. What is your opinion as to the substitution of the language of the country in which the court may be held, instead of a foreign one, such as Persian is in most parts of India?—I am not aware that much practical inconvenience is experienced from conducting the pleadings and from writing the evidence in Persian; some facilities exist, for the reasons I have already assigned.

633. Is an interpreter employed?—No; in point of fact, ordinarily speaking, the evidence which is delivered in the vernacular language, whatever it may be, of the witnesses, is seldom written down in that language, but it is translated into Persian by the writer, as he goes along. The confessions of prisoners, by a special order, must be taken down in the language in which they are delivered.

634. What means has the prisoner of checking the evidence taken down in a language he does not understand?—Certainly not much; it is the duty of the presiding judge to take care of that.

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635. Do the prisoners commonly employ vakeels or agents of any kind to conduct their defence?—No; I do not recollect any instance of that kind.

636. Is the evidence, when taken down in Persian, ever read over afterwards, or translated and read over to the prisoner?—He hears it when it is delivered, and if any question arises regarding it, of course it would be translated and read over to him.

637. But it is not the common practice to do so?—It is not the common practice to read it over in the language in which it was delivered, after it has been taken down.

638. In what language is the judgment delivered in criminal cases?—The judgment is delivered, in fact, by the issue of a warrant; an intimation is given which is written in three languages, English, Persian, and the language of the country.

639. Is the judgment written down?—The warrant is issued by the judge holding the circuit in those three languages, in the heavier class of offences; and intimation is given accordingly to the prisoner of the punishment to which he is sentenced, in his own language.

640. How is it in the lighter cases, misdemeanors for instance?—The magistrate intimates, in the prisoner's own language, the sentence passed on him.

641. Is that sentence formally reduced into Persian also?—The sentence is also reduced into Persian, although no warrant is issued. By a recent rule, a copy of the sentence passed on each prisoner is furnished to him, in consequence of some mistake having occurred.

642. Is that copy in his language?—It is in the vernacular language.

643. Does the judge who tries the prisoner commonly understand the Persian, in which the evidence is taken down?—I should suppose so.

644. Those judges are at the present moment commissioners of revenue, are they not?—I am not quite sure; I think I have heard that in the western provinces the office of commissioner of circuit and commissioner of revenue had been separated very recently, the duties being found too laborious.

645. How was it at the time when you were in India?—At the time I was in India I held the office of commissioner of both revenue and circuit.

646. Is a prisoner allowed to cross-examine a witness?—Certainly.

647. Is the evidence always delivered within the hearing of the judge in criminal trials?—In the heavier class of offences, in trials before the court of circuit, the evidence is always delivered in the hearing of the judge. In misdemeanors and the smaller offences, the evidence is taken down in the presence of the judge; but the cases are so numerous that it is found impracticable that he should superintend taking down the evidence in each separate trial. The parties, witnesses and prisoners, therefore, are brought up before the magistrate after the evidence has been taken down, and such questions as may be necessary to verify the examination and elucidate the case are then asked by the magistrate. The evidence which is taken down in Persian, is read over in Persian to the magistrate.

648. In the case of a prisoner wishing to cross-examine, does he cross-examine the witness in the presence of the judge, or does he cross-examine him in a corner of the room where the evidence is taken down?—More usually while the evidence is being given in court.

649. Do all the witnesses constantly attend before the magistrate at the time the evidence is read over?—Uniformly.

650. But then the evidence is read over in the language which they do not probably understand?—Certainly; and that is the object of the questions put by the magistrate, to verify the evidence.

651. Is the evidence taken down in the language of the witness, or only in Persian?—Only in the Persian; but in the province of Bengal I think it is occasionally taken down in Bengalee.

652. And is that Bengalee in writing turned into Persian by any officer of the court?—It is. It was found, to the best of my recollection, that those local dialects were so numerous that there was considerable difficulty in understanding them. In the serious trials which were referred to the court of nizamut adawlut, or superior criminal court in Calcutta, circular instructions were issued directing that all evidence or depositions not taken down in Persian should be accompanied by a translation into Persian.

653. Is not the Bengalee the language of a great nation?—It is; but on the borders there is a different dialect.

654. Is

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654. Is not Bengalee the language of many millions?—I should think so, certainly.

655. Is it not the only language in general which those millions speak?—The much larger proportion in every village of Bengal understand nothing except Bengalee.

656. But rarely any that understand Persian?—No. In any considerable town there are always two or three schools for Persian.

657. What class of cases would those be in which the evidence was not taken down within the hearing of the magistrate?—Misdemeanors principally, and occasionally cases of petty theft; the magistrate is occasionally empowered to sentence to two years' imprisonment for certain offences. In these the evidence is taken under the magistrate's superintendence.

658. Is it not so universally?—I can only speak of my own practice.

659. In your own practice were those cases always taken in your own hearing?—Generally, I should say, the evidence was taken in my presence.

660. How often are the assizes for the trial of crimes of a graver description held?—The rule is that the sessions should be held half-yearly, but sometimes owing to various causes much longer intervals elapse.

661. What is the longest interval that you have known to have elapsed?—I think, in some of the trials that came before me at the sessions that were held immediately before I left India in 1830, some of the cases had lain over for 18 months, and I rather believe there were a few which had remained untried for nearly two years.

662. How frequently had the sessions been held within those two years?—There have been one or two sessions, and the one in which I was engaged occupied several months.

663. Then there is not a complete gaol delivery at each sessions?—The particular cases I have referred to occurred on the introduction of a new system and a new tribunal; and thus, I suppose, some delay and embarrassment arose.

664. Previous to the introduction of a new species of tribunal there was a complete gaol delivery each sessions?—Certainly; complete in the ordinary acceptation of the term, the cases of all the prisoners committed were disposed of unless special reasons occurred for postponing the trial.

665. Is the punishment of death frequently awarded in India?—Much more rarely than in England.

666. Can that punishment be carried into execution without the sanction of the Nizamut Adawlut?—Certainly not.

667. What is the usual mode of punishment in India of crimes of a serious description?—Imprisonment, frequently accompanied with hard labour on the public roads; often with banishment, and sometimes with corporal punishment. Some few offences are punished by public exposure.

668. Is mutilation discontinued?—In every case in which mutilation is prescribed by the Mahomedan law, it is commuted to imprisonment.

669. What is understood by banishment?—Partly being removed to a different part of the country, remote from the residence of the prisoner's family; partly transportation beyond sea, as to Prince of Wales' Island or Malacca, within certain limits prescribed by Act of Parliament.

670. What change in the judicial system will be expedient and practicable, in the event of a materially increased influx into the Indian provinces of European settlers or residents?—I have never much considered that question, but I conceive our institutions and laws ought to be framed with reference to the great mass of our population; for the millions and not for the tens. I do not see any good reason why a few British subjects should have special laws, special tribunals, and special protection for themselves; as in other foreign countries, they ought, I conceive, to content themselves with an administration of justice inferior to that of this country. For a special purpose they choose to sacrifice a portion of their rights, and I do not conceive that they are entitled to complain of their bargain.

671. Then you conceive it necessary that they should be amenable to the law as administered in the provinces?—Yes.

672. Do you think that British subjects would feel any indisposition to be tried in criminal cases according to the rules of the Mahomedan law?—If it is supposed from the question that the Mahomedan criminal law is now administered by our courts, I conceive that not to be the case, it is so entirely modified to correspond with the provisions of the codes of Europe.

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673. Is it modified by the regulations?—Yes.

674. Is the Hindoo law administered in any criminal cases in India?—No, not in any.

675. Then the criminal law which is administered in India is the Mahomedan law, unless in cases where that Mahomedan law is modified or qualified by the regulations?—By the regulations in some degree, also by practice and precedent, and what is termed circular orders from the superior court.

676. Are those circular orders mere explanations of the laws then enacted?—They are.

677. Have they in fact any power to change the law at all?—Certainly not.

678. Must any modifications or qualifications of the Mahomedan law be made by the authority of the government by regulations?—Alterations must be so made; that is provided for by Act of Parliament and by our regulations; explanations may be conveyed in circular orders.

679. Do you think there would be any objection that a British subject should be tried by the Mahomedan law, modified as it is by the regulations?—No; generally speaking, no particular objection occurs to me. Perhaps I ought to explain that I conceive that the power of legislating on the subject should belong to the local government, and should not be reserved to the authorities in this country.

680. Upon a criminal trial, does the Mahomedan law officer sit with the judge?—Yes.

681. Does he hear all the evidence?—Certainly.

682. And he by his futwa finds whether the fact is proved or not?—Yes.

683. Then he is somewhat in the nature of a jury in that respect?—Yes, excepting that he does not decide the cause; whatever his finding may be, it does not bind the judge.

684. Can the judge decide contrary to the finding of the Mahomedan law officer?—If the trial is held before the court of circuit, in the event of the judge differing from the Mahomedan law officer, a reference is made to the court of Nizamut Adawlut or superior criminal court in Calcutta. If a difference of opinion occurs in that superior court, I think reference is made to another judge, and it is competent to a majority of the nizamut adawlut to pass any sentence without reference to the futwa.

685. If the futwa has acquitted the prisoner, can the nizamut adawlut direct punishment to be awarded against him?—By Section 4, Regulation 17, A. D. 1817, and by Section 7, Regulation 4, A. D. 1822, the nizamut adawlut appears to have the power.

686. If the judge does not object to the finding of the Mahomedan law officer, in all cases except capital, he may immediately award punishment on the finding?—Yes, excepting where the punishment is either capital or involves imprisonment for life. Perhaps I ought to explain, that it is in the power of the Governor-general in Council to dispense with the sitting of the Mahomedan law officer altogether, in any case which it appears more desirable to conduct without his interposition. The law, Regulation 1, 1810, originated I think in consequence of a quarrel between two French gentlemen at Chandernagore, which terminated in the death of one of them in a duel; the inconvenience of having a Mahomedan law officer to pronounce in such a case was felt, and the enactment was passed.

687. Was that a general regulation passed upon the happening of this very particular case?—My impression is that it arose principally from that circumstance; I had nothing to do with it; probably other cases occurred.

688. Is it now the law, according to the regulations of the government, that a Mahomedan may be tried by the English judge without the presence of the Mahomedan law officer?—My impression is so, under the regulation above quoted.

689. Do you think the law, as you have stated it, of criminal trials in India, under the regulations, such that there would be no objection that a British subject should be exposed to that mode of trial?—No material inconvenience immediately occurs to me, and if any arose I conceive it would be easily rectified by the government by another regulation. As far as I am capable of judging, I should say Acts of Parliament are found wanting in the pliability and adaptation to the actual wants of the people which is desirable in legislation.

690. May a regulation of government be passed in matters relating to the administration of justice, operating upon all persons in India, excepting British subjects?—Yes.

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—Yes. Perhaps I ought to mention that many provisions in Acts of Parliament relating to India, passed within my own recollection, have been found inoperative when attempted to be enforced.

691. Would you recommend the establishment of anything in the nature of a legislative body or legislative council in India, to make laws for all persons whomsoever, including British subjects?—I think I have heard that such a proposal was made, but I have not seen the papers with regard to it, and I am not prepared to pronounce upon it. It occurs to me that the judges of the supreme court, whom I believe it was proposed to include in the council, might assist most materially in compiling a civil and criminal code from the mass of decisions passed by the King's and superior native courts, but I should doubt whether they would find themselves equally competent to pronounce on other very important subjects, as the relative rights of landholders and tenantry; and by the time they could among their other occupations have acquired that knowledge, the period of service which can be expected from them would perhaps have expired.

692. Do you think they might be safely associated with persons conversant with the administration of justice in the province, for the purpose of making laws from time to time, as occasion required?—I conceive they would be extremely useful in compiling laws in the mode I have indicated; but I should doubt, in our revenue system and in various other details of our administration, as they are very complicated, whether the subjects came so much before the judges in their ordinary occupation as to facilitate their mastering those questions.

693. Have you any doubt that if it were expedient to establish a legislative body or council in India, for the purpose of making laws from time to time for all descriptions of persons, including British subjects, that the judges of the supreme courts could be very usefully associated as members of that body?—Certainly very usefully, to the extent I have endeavoured to point out; but further it might depend upon the provisions under which such a council might sit. If any member had the power of deferring the enactment of the law until he had thoroughly satisfied himself of the expediency of passing it, embarrassments might arise.

694. Have you made up your mind at all whether it would be expedient to have a council in India for the purpose of making laws for India, either council or government, or whether a body ought to be established to make laws in India for India, whether that body be composed of the judges and the council, or whether it be composed of the government alone?—I have already, I believe, pointed out that in my opinion no alteration should be made in the constitution in India, that is, as I understand it, the system of administering law and of collecting the revenue, without communication with this country, but all other subjects I think had better be subject to the regulation of the authorities in that country; and I can easily suppose certain regulations under which a legislative council composed in the manner suggested, partly of judges of the superior court, partly of the government, might be rendered extremely useful.

695. But in matters of revenue do you think they ought to communicate with some authority at home?—I do not think the system under which our revenue administration is conducted should be changed without previous reference to this country; I may add, that I think changes have been so frequent as to be very prejudicial already.

696. Would you not think it right that the power of legislating in matters of revenue should be confined to this country?—By no means.

697. But you think important matters affecting the revenue ought not to be legislated upon in India, without communication with the authorities at home?—I conceive they do not acquire the degree of consistency and stability which is the foundation of all improvements without such communication.

698. But do you think that all matters relating to the administration of justice for all descriptions of persons could be safely confided to such a legislative council in India?—Generally speaking, with the control that already exists in this country, partly from public opinion, partly from the appeal allowed to the King in Council, and the other checks which exist, I should apprehend that it was extremely improbable that government would abuse any authority of the kind that might be entrusted to it.

699. If opportunity was given for the admission of British subjects to settle in any parts of India, do you not think such a power of providing by a legislative council for the administration of justice in the country would very much tend to

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render the step more safe and proper?—Yes, certainly, either by the government or the legislative council.

700. Do you conceive natives might be more generally employed in the administration of justice in India than they are at the present moment?—If it was proposed to substitute native juries for the present tribunal, I apprehend the result would be an entire failure. As I have already explained, I am very sensible of the defects of the present establishment; but I conceive much greater and more hopeless disorders must ensue from such a change as that. There seems to me great want of the materials necessary to compose tribunals at all resembling English juries. If all the testimony delivered on the subject of India agrees in anything, it surely is in representing the low state of moral feeling exhibited in our courts of justice. Native officers and retainers, no less than suitors and witnesses, are all represented as false and corrupt. With the exception of the class of native officers called sudder ameens, or superior native judges, or the law officers, there is little of native respectability to be found. That the native character possesses much that is estimable, is unquestionable; but we have not very well succeeded in bringing the virtues of integrity and truth to assist in the administration of justice. That by legislation on the supposition of the existence of those virtues we should immediately bring the virtues themselves into active exercise, is I fear a theory more pleasing to the imagination than founded in any extensive experience of mankind. I speak not of other countries or of other societies, but of the presidency of Bengal; and I am persuaded the soundest opinions there will be adverse to supplying the demand for justice by juries independent of European control. Most judges are, I believe, at first smitten with the idea of disposing of cases by arbitration, by punchayet; under the rules already in force, it appears as if it would both save trouble and give satisfaction: Soon impediments multiply: one or other party objects to the course of proceeding, or some of the punchayet is ill, or cannot or will not attend, or it is alleged that they will not hear some of the evidence, or that the decision is directly at variance with the evidence. The court gets embarrassed between the desire to support the punchayet and to prevent the abuses charged; whatever the errors of the punchayet may be, it is reluctant to make them defendants; the cause lingers, and I fear little satisfaction is offered. From my own experience, I should say punchayets seldom answered, excepting in the very rare case where the opposing parties both desired in good faith to have their respective rights ascertained and determined. Another tribunal, somewhat analogous to what is proposed, is that of native courts-martial for the trial of offenders against military law. These are independent courts, and I think it is admitted that they have altogether failed in administering impartial justice. They are either merely passive instruments in the hands of the judge-advocate or superintendent officer, or more frequently, where the offender is a native officer, they deliberately shield him, whatever may be the evidence or charge against him. The general orders of the Bengal army constantly recorded the most severe censures passed by the commander-in-chief against the sentences of native courts-martial; and whatever difficulties may arise in recalling the power of trial, I believe all intelligent officers regret it was ever conferred. It is to be borne in mind that the army of Bengal is not, like European armies, recruited from the lowest ranks of society, but from that rank which should furnish jurymen.

701. You state that those who compose the army in India are generally of a more respectable class than those who compose the armies of Europe?—Yes.

702. And yet you state that great objections have been taken to investing those persons with the powers of sitting in courts-martial?—Yes, as a court having the power of pronouncing sentence on their fellows.

703. You believe private soldiers do not sit in courts-martials, but their native officers do?—Yes. The people of India possess a singular facility of combining, and silently but effectually resisting authority. Where so many circumstances occur to fetter the mind, much freedom in opinion and integrity in judging is scarcely to be expected, and influences very different from the abstract love of justice must be anticipated. If juries should be tried and fail to answer the end proposed, I fear they might be a very grievous instrument of oppression, injustice and fraud; the more intolerable because no mode occurs to me of correcting their errors on appeal, however gross the failure of justice. I have, however, for some time been of opinion that some additional facilities in employing natives in administering both civil and criminal justice might be afforded to the courts. It occurs to me that it might be rendered optional with judges to summon punchayets or assessors, to aid him in cases in which he saw a reasonable ground to believe it might promote the

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ends of justice; but they should rather act as assessors to advise the judge than decide themselves. A discreet judge, and probably only such would summon a jury, would treat them with a degree of respect and consideration which would afford them ample encouragement; and should the institution be found to answer, their powers might be increased. To illustrate my meaning, I may mention a criminal trial, my notes in which I happen to have with me: it was a charge against two bankers composing a firm, for stealing a letter containing drafts for large sums of money, forging and uttering the indorsement, and thereby obtaining the money. The greater part of the trial consisted of an examination of the truth or falsehood of certain bankers' books; and another point was respecting the usages of brokers in negociating bills. The trial lasted, I think, 10 or 12 days, and I remember feeling how much assistance I could have derived from some of the many bankers and merchants whom curiosity led to attend, had the law or usages of our court permitted me to have availed myself of that knowledge and experience in a description of business with which I was unacquainted. After the trial, I heard that a punchayet sat to determine whether business should in future be transacted with the firm in question, and I found I had arrived at the same conclusion with the jury, though probably by a much more circuitous course. In the very common offence of affrays or village quarrels, and in numerous others, I incline to think that material assistance might often be obtained from a punchayet, and I perceive no material objection to making the experiment. In civil suits, in like manner, in questions of disputed boundaries, of disputed accounts, or of caste or others, much aid might be obtained from the natives. At present, all reports on matters of fact are prohibited, except where both parties agree to a reference to arbitration; and if one party absent himself, the court, however unequal to the duty, must enter into the examination of the most complicated accounts and transactions, and I think some discretion on this point ought to be vested in the court. I understand that some provision of the nature of that above suggested has been introduced under the presidency of Bombay, but I do not know with what success.

704. You have stated in your evidence that larger powers have been given to the native judges to try civil causes than they possessed heretofore; do you know to what extent that power has been increased?—The principal sudder ameens are empowered to try to the extent of 5,000 rupees, the ordinary sudder ameens to the extent of 1,000 rupees; the powers of the moonsiffs are also increased, they are now entitled to try suits for personal property to the value of 300 rupees, and also suits for real property for the same value, with certain exceptions.

705. Do you conceive that such increased powers can be given to natives as judges or assessors, consistent with the large introduction of Europeans in the interior as settlers or residents?—I should certainly not consider it desirable to vest natives with jurisdiction over British subjects at any place other than that in which a European judge holds his court. I think assistance might be derived from the natives, in administering the law with regard to Europeans, if an European judge presided.

706. Then you conceive that all the cases which might arise between the European so situated and a native, should be tried in the zillah court, before an European judge, and not before a native judge?—Generally I should conceive it desirable that cases in which Europeans are concerned should be tried under the immediate superintendence of an European judge.

707. Do you think it would be satisfactory to the natives themselves that their causes were tried by a native judge, without the supervision of any European?—Generally speaking, I should say it was not desirable to invest the natives with final jurisdiction. There are instances of persons as able and as intelligent and as pure as any European, but the general tendency is otherwise, particularly in regard to integrity. The natives are inclined to suspect the integrity of each other.

708. Have the salaries of the judges been increased from the time their powers have been augmented?—I am not aware whether that is the case; I have merely seen an abstract of a regulation, in which the remuneration to be afforded them would not be inserted.

709. Do you not conceive, the suspicion of our impure administration of justice in the hands of natives, in some degree arises from the lowness of the salaries they receive?—The class whom we have paid as native gentlemen, and treated as native gentlemen, is the only class who I conceive have maintained their respectability.

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710. In what way are the native judges generally treated by the European judge; with respect or otherwise?—Certainly not with disrespect, but there are different grades of native judges.

711. Are they allowed to sit in the judge's presence?—The higher class undoubtedly.

712. Are the sudder ameens allowed?—Generally; but it depends on their rank.

713. Is it not frequently the case that a native of some rank is not allowed to sit in the presence of an European judge?—The feeling on that subject, and the observances on this point were very strictly enforced, I imagine, under the Mahomedan government, and in the earlier periods of our government we were perhaps somewhat tenacious upon it, but I think we are gradually becoming less so. In the great majority of cases it is immediately understood whether the person is or not sufficiently high in rank to sit, and in doubtful cases the general disposition is to allow him a chair.

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714. Is there any addition you wish to make to the evidence you have given?—Several questions were put to me upon the subject of a legislative council as applicable to India; and it has occurred to me to mention that an admixture of the gentlemen educated at the Scotch bar might be useful in a council of that nature, in administering the law contained in the Mahomedan and Hindoo codes; the code of Scotland being more founded on the civil law and on general principles than perhaps the law of England.

Veneris, 13° *die Aprilis* 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

Robert North Collie Hamilton, Esq. called in; and Examined.

R. N. C. Hamilton, Esq.

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715. WHERE has your service been?—In the Bengal presidency, chiefly in the Judicial department at Benares as a Magistrate, and latterly as Deputy Secretary in the Judicial department at Calcutta.

716. On the supposition that Europeans in increased numbers were to become settlers in the interior of India, should you consider the judicial system of the country courts as at present established to be sufficient for that state of things, or would you recommend any and what changes?—It depends chiefly on what will be the nature of the settlers; if they were people of large property and capital simply residing there on estates, the present system would be sufficient, but if there were to be a mass of people of an inferior order it would require some alteration. I do not suppose that the natives themselves would be fit or capable.

717. Do you mean to say that the courts in which natives were judges are not competent to try Europeans?—They would not be.

718. Do you speak of the natives immediately at the present time, or do you suppose that by degrees their general character has so improved as to render them competent to try Europeans, either criminally or civilly?—I should think it would take a great lapse of time before they were competent.

719. Could you not say that within the period of your acquaintance with India there has taken place among the natives, especially at the presidency, a very great change of character?—A material change.

720. Have they not acquired more confidence in themselves, and do they not more easily conform to the European modes?—They acquire more confidence in the European modes, and are more confident in the system under which they live.

721. It is found that what at that time was a prevalent opinion of the unchangeableness of the native character has been a good deal modified?—Yes, they are fast improving now.

722. You think any further change so great as to render it fit to seat them in judgment on Europeans, must be the work of a very long time?—To make them impartial judges.

723. You do not mean by competency that the state of their minds and faculties is so inferior, but on account of their moral character?—Certainly.

724. What do you conceive would be the defectiveness of a native tribunal sitting in judgment where Europeans were concerned, civilly or criminally?—If the Europeans were influential persons, they would be partial; if there was a lower class of persons of no importance at all, they might be tyrannical and arbitrary.

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725. Do you think that any evil effect would be produced, on the opinions entertained among natives in general of Europeans?—I think every decision that tended to lower the character of the Europeans, would lower them in their estimation.

726. Would the circumstance of the natives sitting in judgment upon the Europeans impair the native in the estimation of the Europeans; the fact of their being subjected to the natives?—Certainly; it is not under a native state, for i a native state an European is nothing more than another subject.

727. Supposing an increased number of Europeans to reside in the countr either as settlers having property, or in any employment in the country of a low kind, do you think the present judicial system of the Company, in point of exte and magnitude, sufficient to administer justice under such circumstances?—I thi the present judicial system is as small as it can possibly be, it is barely sufficient some of the largest districts to superintend now sufficiently every part of tl district, but I do not think the increase of Europeans would cause an increase crime so as to occasion greater work. I think you would require Europeans to t Europeans, and therefore that would be an additional expense and a material one

728. In addition to the present courts?—I do not think the present native cour constituted of natives are calculated to try Europeans for criminal offences.

729. Do you mean with an European judge remaining as he does; do you thin the court under such judge or assistant is not sufficient to administer justice whe the Europeans are concerned?—Certainly, I consider it very doubtful.

730. Do you think the European judge or assistant would be relieved by tl native officer being appointed to try the native cases; and being so relieved, do yc suppose the present European establishment sufficiently large?—Confining it this; if the Europeans are to hear cases in which the Europeans were concerne (taking them entirely from the natives), it ceases to be a *native* tribunal.

731. In that case you think the present European judicial force would l sufficient?—Yes. There is a system about to be introduced in which the powers the natives would be equal almost to what was the power of the European judges civil courts some years ago; it is with reference to this my answer applies. I not think those natives who have got the additional power, are competent to gi impartial decisions in a case. I confine my remark to a court in which a nati alone presides, of course subject to appeal.

732. It is understood that the Europeans going into the interior under loc licenses, did thereby subject themselves to the country courts; at present would th engagement oblige them to submit to the jurisdiction of courts where the nativ alone preside at present?—Yes, it would, according to the tenor of their *loc* license.

733. Do you know, in point of fact, whether the Europeans have ever been su jected to courts where natives preside, by local license or otherwise?—In ci matters.

734. You know that?—An European can hold land now for any suits that ari out of his engagements with natives in the course of trade or agriculture; tho suits may be heard in a native court, where a native only presides; he is obliged abide by the decision of that court as much as another.

735. Does it in point of fact frequently happen?—Not very frequently.

736. Not often enough so that you can draw a general rule how far the nativ could be found efficient?—The case is this, an European seldom lets his nan appear to a suit; so that if you were to take the file of a court and look through see who sues, you would find the agent, who is the native prosecutor; unless therefo you know for whom he was the agent, you could not know who was the principal

737. This is confined to civil cases?—In criminal cases he must appear person.

738. According to your opinion, the effect of the experiment which is no trying of the more extensive employment of natives in the administration of justic is comparatively of very little value on the supposition that a great number Europeans became residents in the country?—In that point of view it is.

739. Can you state the outline of any changes that were in contemplation in th administration of civil justice, at the time of your leaving India?—When I le India in last January twelvemonth, the draft of a regulation had been prepared b which the native courts were to be remodelled. Formerly the civil courts consiste of a judge or register, who was limited to hear suits under 500 rupees, and fror 500 rupees to 1,000 rupees. There were two classes of registers. The nativ

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judges, called sudder aumeens, were limited to the trial of suits not exceeding 500 rupees, generally not exceeding 250. Under these sudder aumeens there was a class of civil officers, moonsiffs, who tried suits of a minor extent in the interior of the districts. By the new scheme the office of register was done away, and sudder aumeens were to be empowered to try suits from 1,000 to 5,000 rupees, and an increase of powers of a corresponding nature was given to the inferior courts. This would materially lessen the business before the judge, who was to confine himself to hear the original suits of a larger amount; appeals from the superior sudder aumeens sedam, who were competent to hear appeals from the inferior courts. This was the outline of the measure which had been before government, but was sent for report to the judges of the superior court, sudder dewanny adawlut, whose opinion on it had not been received. That would alter the whole system of civil courts.

740. Has the salary of native judges been increased?—The salary of the native judges of the first class was to be from 500 to 1,000 rupees a month.

741. What are they now?—From 100 to 200, some 350 rupees.

742. Some were 350?—Their salary ranged from 100 to 350 rupees a month.

743. What was to be the salary of the moonsiffs?—That was to be raised to 100 and 150, from 25 to 50 rupees.

744. Is there to be any regulation about these?—Yes; there was to be an extension of power in proportion to what they had before. The moonsiff has a local court in the districts.

745. The sudder aumeen being extended to 5,000 rupees, is there a similar extension?—There are three classes of sudder aumeens; one to hear suits under 5,000 rupees, another from 500 to 1,000, and the third from 1,000 to 5,000. The moonsiffs were to hear minor suits in the interior of the districts; the other courts being at the zillah station. An ultimate appeal would come to the zillah judge (the European functionary), and that would be final, from the moonsiffs.

746. Would the provincial courts be done away with?—Yes.

747. Do you know anything of the calculation of the expense of the new system as compared with the old?—It was calculated not to increase the expenditure, by the reduction of the office of registrar; his salary, as well as the expenses of the provincial courts of appeal, would defray the increased salaries of the natives.

748. What would become of the provincial judges, those who act now?—They were to be absorbed into the service.

749. In what way was criminal justice to be administered?—Its administration is completely changed: the court of circuit and the provincial court of appeal were one; they are subdivided; there is now a commissioner of circuit, and the old provincial court of appeal remains.

750. The alteration has been some time; the commissioner of revenue has been the judge of the circuit?—I think the regulation was in 1829.

751. That has been fully carried into effect, it is no part of this new plan?—The part relating to criminal courts had been carried into effect, and failed I am afraid from uniting the revenue and judicial powers, thus loading the functionary with work he could not do.

752. It failed from the incompetency of the individual to discharge both duties?—From want of time he was incompetent.

753. Have the Hindoos or Mahomedan natives ever been employed in juries in Calcutta to your knowledge?—I have not heard of any jury being empannelled solely of Hindoos or Mahomedans.

754. You doubt if it is possible they should be?—I consider it impossible for a native jury to be empannelled for the trial of any native, from the natural prejudices as to caste; a respectable or high-caste Hindoo would think it a degradation to sit upon a jury in which an inferior caste was to be tried, and an inferior caste would, by his religion, consider he had committed a sin in bringing disgrace and punishment on a Brahmin.

755. How far does that principle operate in courts-martial among the native troops?—I believe there is no low-caste man enlisted in the army. I cannot be competent to give evidence on military matters, but the common soldier is supposed to be a man of respectable caste before he is enlisted; I do not suppose there is the lowest caste of Hindoo in the army. I do not believe a native court-martial ever sits without being superintended by an European officer; the interpreter of the regiment is usually the superintendent of all native regimental court-martials.

756. Do you not conceive that a species of jury might be appointed in different courts,

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courts, taken from officers and agents who were in the habit of attending the courts?—I think that would be most prejudicial as far as impartiality is concerned; I think every man who receives pay about the court is the last man who ought to be employed. If you take a man who holds an office in one district, and make him a juror in another, you must have some one to do his work during his absence. Competency as to intellect I do not dispute; but the question is, if a man who has retired from the service from age, living 200 miles off, would like to be summoned to sit on a jury. There was a calculation made of what would be the expense supposing native juries were to be assembled at the assizes or sessions, and the expense of one sessions was nearly 50,000 rupees per annum; that is the amount by a calculation of Mr. Leycester, late chief judge of the sudder, recorded on the minutes of the court.

757. But upon the trial of criminal cases the native officer who attends acts somewhat in the nature of a juror?—There are regulations empowering the presiding judge to set aside the (futwah) opinion of the moolavie, who is always attended by one.

758. Who finds the matter of fact?—He finds guilty or not guilty; but there is a regulation by which the courts are empowered to set aside that decision.

759. If it is a conviction, but not an acquittal?—The futwah which is given acquitting a man at Benares, may be reversed by the superior court; or the commissioner's decision at Benares can be reversed by the nizamut adawlut.

760. What can he do; can he reverse the judgment?—The whole trial goes down.

761. Supposing a person is acquitted by the futwah of the Mahomedan officer, if the commissioner of circuit approves of it, it is final; if he disapproves of it, it goes to the nizamut adawlut?—Yes.

762. May the sudder nizamut adawlut set aside the futwah, and pronounce judgment on this person who is declared not guilty by the futwah?—By the futwah the court are not guided; they give their opinion as if it were a new trial before them, on the whole case.

763. But without hearing new evidence?—They can send the case back to have more evidence taken. It is almost a new trial in the event of the European functionary and the law officer not agreeing; if they agree, the thing is final; still the higher court has the power of sending for the evidence.

764. Do such references often take place?—Constantly; that is in case of the judge disagreeing.

765. Upon the same evidence upon which the Mahomedan law officer has found that the party is not guilty, the nizamut adawlut may pronounce him guilty, and sentence him to punishment?—It is their verdict on the evidence that comes before them; every word having been taken down. They may quash the indictment and send it back, or they may decide the contrary.

766. What is the usual practice; to refer it to another trial, or give a decision upon it?—I do not think I ever recollect a trial in that way being quashed; not commonly; they generally decide on it as it goes down.

767. If the moolavie (the Mahomedan law officer) should pronounce and say "not guilty," and the opinion of the European judge should be "guilty," in that case the nizamut adawlut would decide in favour of the judge?—The nizamut adawlut will sometimes decide one way and sometimes another; they sometimes agree with the moolavie and sometimes not.

768. Suppose the native should say "guilty," and the European judge should be positive it is a case for acquittal, is not his decision final?—No; in all cases in which they disagree, let their disagreement be how it may, it must go to the superior court.

769. A capital sentence cannot be pronounced unless submitted to the nizamut adawlut?—I do not think the commissioner of circuit can sentence to more than 14 years' imprisonment or banishment.

770. Does the nizamut adawlut hear fresh evidence?—They are empowered to hear it if they think fit.

771. Hear it, or send for it?—They must send for it; sometimes it is 1,200 miles.

772. They rarely send for fresh evidence?—There must be one opinion for an acquittal, and they generally acquit where there is a doubt; they are more disposed to acquit than convict in those cases; but then the court of the nizamut adawlut consists of three or four or five judges, two of the judges may acquit and three convict.

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convict. There is a curious case of embezzlement for a large amount of the Benares mint pending, in which the judges of the nizamut adawlut found the prisoner guilty, and the quantum of punishment is what they do not make up their minds to; they differ among themselves, and the case is lying over owing to the death of the senior judge.

773. In that case there was a difference between the moolavie and the European judge?—Yes; I think the moolavie acquitted and the commissioner of circuit found guilty: it has gone to the sudder nizamut, and the judges have found the guilt, but the measure of punishment remains doubtful.

774. Are there no means of coming to a decision on the punishment?—There ought to be.

775. Is the judge in the habit of making observations on the evidence, before the moolavie pronounces his futwah?—No: I never have myself sat on those cases. On the close of an evidence the moolavie can cross-examine any witness he pleases, and on the close of the case the European judge desires him to give his futwah in writing, first as to the guilt, and in the event of guilt, what would be the punishment by the Mahomedan law. If he agrees in the guilt, and it is a case in which he is competent to pass judgment, he does so, reporting it to the nizamut adawlut; but if he disagrees with the futwah as to the guilt or innocence, he sends the case down with the futwah, and his own opinion on the merits and particulars of the case. To the superior court he gives his reasons in detail.

776. Do you think, by the forms of law in criminal proceedings in India, the life and personal liberty of the native are well secured, or otherwise?—I think for the purposes of justice it is perfectly sufficient.

777. There is often considerable difficulty in convicting?—In the course of nine years' residence at Benares, in which I was connected with the magistrate's office, I do not think there were above three capital punishments, that is, sentences of death.

778. How many capital charges might there be in that time?—There is a statement I have given in; I suppose the capital charges were 200 a year.

779. Did that number arise from acquittals or commutations?—There were plenty of punishments of imprisonment and transportation.

780. There is considerable difficulty, is there not, in convicting in the criminal courts of India?—Yes; I think the tendency is more to acquit than convict. If you take the result of the trials, you will find more acquittals than convictions.

781. To what do you attribute that?—To the difficulty of convicting; to the difficulty of finding conclusive evidence.

782. Is not the law of evidence the Mahomedan law of evidence, unless it be modified; and is any particular number of witnesses required to prove a fact in a criminal case by the law as it obtains?—No.

783. Can one witness be sufficient if the moolavie believes him?—The moolavie will not give his futwah by our law; it will be according to the Mahomedan law.

784. His decision will be according to the Mahomedan law?—Yes.

785. Does that require more witnesses?—It requires two witnesses, and in some cases it requires eye-witnesses.

786. Can any person in India in the criminal courts, that is, any native, be convicted on mere circumstantial evidence of any criminal offence, without direct testimony of the fact?—The Mahomedan code of law requires direct testimony of the fact.

787. Then the moolavie would not convict, he would not find a futwah against the prisoner, unless there were two witnesses to the fact?—They have a technical term, and they would find him guilty on presumptive evidence; he would state that in his futwah, but not guilty on direct evidence; that is, supposing the man were by circumstantial evidence found guilty of an offence that would involve death, he would state in his futwah that the extreme sentence was barred for want of a witness or direct testimony, but that he would be guilty on presumptive evidence.

788. That is, that he would be suspected?—No; his futwah would be "guilty."

789. He would be liable to punishment?—Yes, to the minor punishment.

790. Is there much difficulty in obtaining evidence, arising from the parties who might give the evidence being intimidated?—It did certainly exist to a great extent, but it is fast decreasing. If you separate Bengal and the Western Provinces, it may exist in Bengal, it is known to; in the Western Provinces it is not by any means so frequent.

791. Has

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791. Has the crime of decoitee decreased?—Yes; it is a crime confined to one or two districts.

792. Is it to the improvement of the police you describe that decrease?—A great deal of it depends upon the settled state of the country, and likewise to the police.

793. How often are the sessions held in each district?—Half-yearly.

794. Are all the prisoners brought to trial?—They are all sent up for trial.

795. Are they all tried in each session?—They are all put on their trial, except there is something that makes them lie over, but the judge is obliged to dispose of the calendar and account for the prisoners in every case; the gaol is delivered. The law is, if a case stands over two calendars the prisoner is acquitted and set free. Before the system of commissioners of circuit, a man might be confined for a year before the sessions, the commissioner of the circuit never reaching the place: it ought to be half-yearly.

796. Under the present system is it the fact that the gaols are regularly delivered each half year?—I think, under the new system of commissioners, it is delivered twice within a twelvemonth. If they have a sessions this month, six months from this date there may be very few for trial.

797. But still they deliver twice a year?—It would be twice a year, though not six months apart.

798. They are delivered twice a year?—Yes.

799. You stated that the system of employing commissioners rather than judges going the circuit, has failed from the accession of the revenue duties?—Yes.

800. Does not that circumstance prevent the complete gaol delivery?—No; because another officer has been sent to hold the gaol delivery, and this proves the failure of the new system.

801. What description of person is he?—An officiating judge for the circuit to all intents and purposes; he has the same power as the commissioner of the circuit.

802. It is another qualified person?—Yes.

803. Do those commissioners of necessity possess a knowledge of the law when they are first appointed?—To answer that, I must go more into detail than the Committee may think it right to do.

804. Will you inform the Committee whether, in your opinion, the proper means for qualifying these Europeans and writers who are employed in judicial functions are sufficient; and if not, what other means you would recommend for securing the proper qualification and the proper execution of the administration of justice, generally?—I think that a writer who has been attached to the judicial branch, by the time he comes to the commissioner's office is qualified to perform the functions of a commissioner of circuit, but I doubt much whether he is qualified supposing that he has been brought up in the revenue branch and then made a commissioner of revenue and circuit, I doubt if he is qualified for the circuit, though he is fully qualified for the revenue; or *vice versâ*, a man who is brought up in the judicial branch is not qualified perhaps for revenue; but the appointment under the system as it now is, of the commissioner of revenue and circuit, was in this way: The government abolished the courts of circuit and the boards of revenue; they had numerically a sufficient number of men, and they divided the country out: there were three boards of revenue and five courts of circuit; they parcelled out the whole country into jurisdictions, each containing three or four zillahs, or districts, and government appointed a judge from a court of circuit to be a commissioner of revenue and circuit, and a district was placed under him, with the powers of the board of revenue and the commissioners of the circuit: so also an officer was taken from the revenue board and made him the same. It is no imputation on an individual to say he might not be qualified for one department; the first man in the service may be qualified in one line, though he may not be so competent in the other: it is upon that partly the system has failed.

805. So far as acquiring a knowledge of the natives goes, is not experience in the revenue department important?—I think that the judicial officer gains more insight, in the course of his service from a writer to the office of commissioner of circuit, in revenue matters, than a revenue officer does of the judicial, in rising from a writer to the board of revenue. As a civil judge he has to look over the revenue proceedings.

806. Have you any plan by which this mischief might be rectified?—The commissioners of circuits were an improvement on the old courts of circuit, by ensuring a half-yearly

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a half-yearly gaol delivery in each district, from giving them a space they could travel over within the period. In the Bareilly circuit the judge had to travel 1,200, or perhaps 2,000 miles in the half year with all his office; that was under the old regime; now he has not to travel more than 60 miles from a given centre. The new arrangement diminishes the sphere in each case, but it blends the functions of the judicial and the revenue departments. Had they given each six instead of three districts to superintend in one branch only, if a revenue officer had six instead of three, with the duties of circuit judge, confined only to revenue matters, the business would have been performed; that is, the improvement would have been substantial.

807. You would send the same officers on their circuit?—Let them be wholly distinct from each other; restrict the duties, and put one in the revenue and one in the judicial.

808. You would enlarge the spheres, and divide the duties?—Yes, I think it is wrong to give them both functions; a positive evil.

809. Are the natives ever employed as judges in criminal cases to any amount?—No.

810. Not as magistrates?—No.

811. Do you think it would be advisable to make natives justices of the peace?—Certainly not.

812. Do you mean that answer generally?—I mean that a native is not a qualified person to perform the duties of a justice of the peace.

813. Even over natives?—No, not beyond the present police jurisdiction and authority he possesses.

814. As you say you would not employ natives as justices of the peace, do you think it would be safe to have a power of employing them to any limited extent at the presidencies in the functions of police?—It might do no harm; it would be inoperative. I think they are not yet capable.

815. Do you think the natives would of themselves have confidence in a native justice of the peace?—No, certainly not.

816. Do you think there would be any advantage in having some means of instructing these writers employed in the administration of justice, in the general principles of law, before they commence their judicial career?—I certainly think a man who knows something of law is much better qualified than one who knows nothing; but the local regulations are what he must know.

817. Do you think a person better qualified to discharge the judicial functions if he were grounded originally in the general principles of jurisprudence?—That is the object of Haileybury, supposing he attends to those lectures delivered there.

818. Has the instruction which he gets in the principles of law in Haileybury been found useful?—Yes, I think so; as far as it goes it is most useful.

819. Is it desirable to extend it?—I do not know how it could be extended, unless writers were kept longer in England.

820. Might you not by altering the course of study?—I myself went there. I do not think you could increase the study of law without decreasing something else; to keep within the present limit of residence in the College, you must take away something equally useful to learn, to give more time for the study of law.

821. And what is that?—I think a writer learns least of the languages. In my opinion, the three principal things a man learns at Haileybury are law, political economy, and history. Afterwards he has no opportunity in India of gaining similar information.

822. Would there be an advantage in excluding classical and mathematical instruction from Haileybury, and substituting many of these more available and practicable branches?—I do not think it desirable to exclude classics and mathematics.

823. Supposing a certain part of the youth destined for India should be intended for the judicial line, would it be advisable to prolong their stay in this country to enable them to acquire a knowledge of the principles of jurisprudence more perfectly than they do now?—It is difficult to tie a man down in this country to say what line he shall pursue in India. In my own case I should have conceived it would have been hard to tie me down in England, for it might have happened that there was another branch that I might have been more disposed to turn my mind to after I had seen India.

824. You are of opinion that the choice of the particular line in which he is to be employed cannot well be fixed until he gets to India?—Yes; and not till he is out of

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of the Calcutta college; till he sees the country: he is sent up as assistant to a place there; he sees the nature of the business, and he may then fix himself to one branch.

825. It is pretty much left to the young men there to choose their own lines?—It is; but I fancy the exigency of the service often requires them to be sent. Formerly a man was appointed assistant to a judge and magistrate, which is wholly judicial, or he chose, and was sent as assistant to the collector, which is wholly revenue; now they are appointed as assistants to the commissioners of revenue and circuit, it remains for them then to be sent where they may be most wanted.

826. They are not now enabled to choose whether they will be in the revenue or judicial line?—Every young man on his emancipation is appointed now assistant in the revenue and judicial line; he is appointed assistant to the commissioner of revenue and circuit; and he is not appointed assistant to a magistrate or collector of a specified place, as he would have been formerly, but under a commissioner, who assigns him to any place within his jurisdiction.

827. Does he assign him after he has some knowledge of what he is fit for, having employed himself?—He assigns him as soon as he thinks him qualified; it is left entirely to him: sometimes he deputes him under a relation, for it is fair to conceive he would learn his duty better under a person interested in him.

828. Is he generallly employed in both departments?—Yes; alternate days usually.

829. How long upon an average would a young gentleman remain as an assistant before he would be appointed a commissioner?—I suppose 18 years, perhaps 20.

830. He would be assistant?—No; intermediately he may be a magistrate and collector, but before he becomes a commissioner he would see 18 years' service. A writer, after having passed the required examination at the college of Fort William, is first appointed (according to the present system) assistant to a commissioner of revenue and circuit, at whose disposal he is placed to be deputed or attached to any office (revenue or magisterial) where his service may be most required. Supposing him deputed to a magistrate's office, his prospect of rising in the service would be thus:

1st. Assistant to magistrate: On a salary from 400 to 600 rupees per month, for a period of near five years.

2d. Joint magistrate: On a salary of 800 to 1,000 rupees, for a period of three years.

3d. Magistrate: On a salary of 1,200 to 1,600 rupees, until he might be appointed judge of a *civil* court, and his *magisterial* functions would cease; from which he would

4th. (Commissioner) Rise to a commissioner, after 18 or 20 years.

It will be seen from this scale that an officer may be appointed a *judge* of a civil court without having gone through the training which he would have under the former system, which was thus:

Assistant to judge and magistrate;
Register and joint magistrate;
Judge and magistrate.

By the abolition of registers (the intermediate step between assistant and judge), it is difficult to see how a man, whose time is fully occupied, can get that same degree of knowledge under the new system he might naturally have gained in the 10 or 12 years' *apprenticeship* before he attained the office of judge and magistrate, as far as *civil* judge is concerned. But suppose the commissioner to depute the assistant in the revenue department, he would become,

1st. Assistant to a collector, and wholly confined to revenue matters.

2d. Deputy collector: Deputed to make settlements and assessments, and possibly created joint magistrate, with all the powers.

3d. Collector: In charge of a district in every particular relating to revenue.

4th. Commissioner: He would become a commissioner of revenue and circuit, after 18 or 20 years.

The powers vested by regulation in an assistant to a magistrate, are "to hear and determine any case *made over* specially for that purpose by the magistrate, and on proof and conviction to order a punishment not exceeding one month's imprisonment, or a fine not exceeding 50 rupees.

A magistrate, on conviction of certain offences, may punish with six months' imprisonment, with or without labour and irons, 30 stripes, and a fine not exceeding 200 rupees, commutation to imprisonment not exceeding six months. A magistrate, by

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by Regulation 12, I think, of 1818, may on conviction of a burglary (and thefts exceeding 100 rupees in value) sentence to two years' imprisonment with labour; and by another regulation, in cases of serious affrays, sentence to one year's imprisonment. In all cases of murder, homicide (or attempts), burglaries exceeding 100 rupees, woundings, administering drugs, child stealing, and other heinous offences, the magistrate must, in the event of there being sufficient evidence, commit the accused to take his trial before the commissioner of circuit, at the assize or session next to be holden.

831. Is the assistant ever employed in delivering the gaols?—Never.

832. What means has the assistant of learning the judicial part of his business?—He is generally appointed to be the assistant to a district; after having been a short time at the commissioner's office, he assigns him to a district, and in the office of that district he learns the routine of duty and gains experience.

833. But in the district to which he is appointed as assistant, what is the nature of the judicial functions he discharges?—In preparing cases and taking evidence.

834. What cases does he prepare?—Any the magistrate may send to him.

835. What is the nature of the preparation of a case; how does he prepare a case?—Much in the same way as a magistrate prepares a case before he commits it in this country.

836. Taking the depositions of witnesses?—Yes; and making the case as complete as he can, so that the magistrate may come to a decision upon it: the magistrate can send for more evidence and make further inquiry.

837. That is in the case of minor offences or commitments?—Of any case that may be sent to him.

838. Does he do so in cases of a graver description that are for trial?—Yes, he prepares it for trial; he passes no decision.

839. Are not all the cases of a graver description tried, and the depositions taken, before the commissioner of revenue himself?—Before the magistrate, in the magistrate's office, in the first instance; but the commissioner of circuit has the whole over again before himself and the moolavie. The commissioner is the superior authority in the district.

840. The commissioner is the judge of the circuit?—Yes.

841. And assists in the delivery of the gaols?—Yes; the judge of circuit only delivers the gaols.

842. Suppose a case of theft of a serious nature, would not that case be entirely heard from its commencement to its termination before the commissioner, at the time of trial?—Suppose a theft takes place in a district under 200 rupees in amount, the magistrate disposes of it entirely himself, even as to the punishment. Supposing it to be a heavy case he commits it for trial before the commissioner of circuit, who hears the case, and has all the witnesses before him, and takes it all down as a new trial.

843. When you speak of the preparation of a case by the assistant, you allude to a case below 100 rupees?—He prepares it for the opinion of the magistrate; the magistrate may say, this is a case which should go to the commissioner at the next circuit.

844. Is the preparation carried on by the assistant, having the witnesses in the same room, though the magistrate does not interfere?—Every evidence ought to be taken before the English functionary. The assistant takes evidence and tries to make the case as complete as he can before he sends it up to the magistrate, who goes over the case completely, although he does not take it again in writing; but if it goes to the commissioner of circuit the trial is taken down in writing *de novo* before the commissioner.

845. So that the instruction of the assistant is brought in actual contact with the persons?—He is the person who superintends the whole evidence.

846. Is it compatible with the judicial service that a young man should attend the court as a student; could that be made compatible with the practice in judicial courts?—No.

847. You say there is no opportunity in which he could be attending, his services being required immediately after college?—Yes.

848. Would he not be better qualified if he attended as barristers bringing up for the bar attend here?—If you make them barristers you deprive the natives of the office of pleaders.

849. But could you not give him an opportunity of acquiring a knowledge of the

law by attending as a student?—I think he acquires it by the preparation of the cases and the taking of evidence.

850. You think that is better than attending as a student?—It is his own interest to get up the case as completely as if it was for his own decision; he is not fettered except by the law, which he must inquire into and study.

851. Does he not act sometimes himself in a judicial capacity as assistant to the judge?—Yes, in petty cases.

852. So that in fact he is to discharge the functions of a judge almost immediately on his leaving college?—In disputes in small cases.

853. At that time surely he cannot be qualified?—He cannot of himself hear a single case until it is sent from the magistrate; he cannot try any case, or look at the papers even, until it is made over regularly by the magistrate.

854. He may give a decision?—If he is ordered by the magistrate.

855. If the magistrate refers a case for his decision he can decide?—Yes; the responsibility of being able to do that rests with the magistrate; if it is made over to him by the magistrate for his decision he can decide it.

856. You assume that he would not make it over to him if he did not think him qualified?—When I was assistant I had not a case made over to me for six or eight months after I was in the office.

857. In what language are the depositions taken down?—In Persian.

858. Who does that?—A native writer.

859. What means has the assistant of knowing if they are correctly taken down?—By knowing the language.

860. But supposing he does not understand Persian?—He would not be out of the college. Persian is the language by which the assistant is qualified for the service: he has given into his hand a Persian paper, and he is to translate it into English, and an English paper which he is to translate into and write in Persian; he is supposed to be able to read and write after having done this.

861. You think him sufficiently qualified in his knowledge of Persian, in the first instance, to superintend the depositions?—Provided he has passed college, he knows it beforehand; a man the first time does not understand so much as he does by practice after.

862. Do they learn Persian at Haileybury?—Yes; that is one of the tests.

863. And he is examined in Persian before he leaves the College at Calcutta?—Yes. I do not mean that a man when he leaves college reads as fluently as he does after having been in an office for a year or two.

864. You have spoken of the magistrates; what description of persons are the magistrates?—The commissioner on circuit is much the same as the judge who goes of the assizes in England, and the magistrate is there much in the same way as a bench of magistrates at the petty sessions.

865. It is a class of civil service?—Yes: the first step from an assistant is to be a joint magistrate, he then has a portion of district over which there may be a magistrate; he then becomes magistrate, and from that he becomes a commissioner of circuit: the rise from an assistant to a commissioner is not without intermediate grades.

866. The commissioner, the magistrate and the assistant, are all engaged both in judicial and in revenue functions?—Not always; the magistrate is a distinct authority from the commissioner: the revenue duties are performed by the collectors, not by magistrates.

867. That is what you referred to when you said a young man chose what line he would take?—He rises to a magistrate, then he becomes a commissioner; ultimately he is not so well qualified to be a commissioner of revenue as a person who has risen from an assistant to a collector, and thence to a commissioner of revenue.

868. If he keeps to the revenue line his step is to be a collector?—Yes; those who have been totally confined to one branch cannot be so well qualified for the other.

869. Do you think an assistant is ever called upon to give a judicial opinion upon a question before he acquires sufficient experience to do so, that is, soon after leaving the college?—If he is called on for a decision it is not final; every decision is appealable to the magistrate, and every decision of the magistrate is appealable to the commissioner.

870. In order to qualify himself for judicial duties he has to acquire a general knowledge of law, and also a knowledge of Mahomedan and Hindoo law?—The Mahomedan

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Mahomedan and Hindoo law (except in cases in which there is caste or anything of that kind) form a very little part of judicial education; the regulations are the principal thing he must know; the regulations he is bound by his oath of office to conform to, and in their preparation the Hindoo and Mahomedan law were taken into consideration. The regulations are enforced, and they are the law of the land now; he is bound on his oath to administer justice by them.

871. That, then, is his only judicial study?—That is his only judicial study.

872. Are the commissioners at the present moment taken from the class of collectors and magistrates, either one or the other?—They have not been in existence above two years and a half; they then were taken from the boards of revenue as well as the courts of circuit; now, of course, they would be taken according to their standing. A man who would have been eligible to a court of circuit is eligible now to a commissioner of revenue and circuit, and he has the two functions, and if he is of standing in the service he is a commissioner of revenue and of the circuit.

873. He may be equally chosen from the classes of the magistrates or collectors?—The magistrate or the collector equally are steps to a commissionership.

874. Is not experience in the revenue department of some service to a man in adapting him to the judicial?—That is quite a party question. I think a man is a better judge if he knows the detail of revenue proceedings, the same as any man must be a better judge the more information he has. The powers of the magistrates at Madras and Bengal are not equal. It is a common mistake to suppose that the magistrates of Bengal and Madras have the same powers.

875. In what direction does the zillah judge rise?—It used to be assistant, then he was made register, and from that a judge, in which capacity he had no magisterial duties at all; no police.

876. To what does he arrive beyond that of being a judge of the zillah court?—He used to rise to the court of appeal.

877. Those provincial courts being removed, what is his next step?—The commissioner; every thing ends in the commissioner. In fact there is no distinction of lines such as used to prevail in the revenue and judicial departments; the union of these two is most prejudicial, in my opinion, in many respects.

878. What is the salary of a commissioner of the circuit?—Thirty-six thousand rupees, and 6,000 rupees for travelling allowance.

879. And what is that of the zillah judge?—Twenty-eight thousand rupees.

880. And of the magistrate?—From 1,000 to 1,600 rupees a month.

881. And of the assistant?—On quitting his college he gets 400 rupees a month, and he gets an increase of 100 rupees; two years after leaving college it is 400 or 500 rupees a month; on that he remains till he gets higher.

Lunæ, 16° *die Aprilis*, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

William Butterworth Bayley, Esq. called in; and Examined.

W. B. Bayley, Esq.

16 April 1832.

882. WILL you give to the Committee any information as to the present state of the judicial establishments of the Company, or any suggestions as to the improvements in it which are required and practicable?—I have explained my sentiments on the administration of civil justice under the presidency of Bengal, in a minute recorded in November 1829; on that occasion I observed that the machinery of Lord Cornwallis's system for the administration of civil justice was from the very first inadequate to accomplish more than a small portion of the work it was expected to perform, and that it was soon found necessary to introduce various modifications in that system. The higher courts were from time to time relieved from details of minor importance, the powers of the inferior European courts were increased, the aid of the revenue officers and of assistant judges was called in, the jurisdiction of the native tribunals was largely though very gradually extended, objectionable forms were amended or dispensed with, and more summary processes were introduced, so that scarcely a year had passed since the promulgation of the code of 1793, in which attempts had not been made to remove the grounds of civil controversies, to expedite their adjustment or to reduce arrears of suits, which had nevertheless continued to accumulate. It was the principle of Lord Cornwallis's

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wallis's system to provide for the administration of civil as well as of criminal justice by the almost exclusive agency of European functionaries. The districts into which the country was parcelled out were far too extensive and too populous to be successfully superintended by the individuals to whose charge the judicial administration was entrusted; and where the population amounted, as it did in many instances, to upwards of a million, the duties required from the judge and magistrate were far beyond the powers of the most active and intelligent officer. The difficulties thus experienced have been since augmented in the degree in which the extension of trade and cultivation, the advance in the value of land and the progressive increase of population have multiplied the demands of the public on the time of the civil tribunals. It is obvious that we began by aiming at more than could possibly be accomplished; that the expectation of being able to carry on the administration of justice, civil and criminal, by European agency, was utterly fallacious; that no addition of numerical strength to the European portion of the judicial establishments, which the public finances can at present afford, will do more than yield a partial or temporary relief, and that we must necessarily look to the still more extended employment of natives (subject to European superintendence). The system when originally introduced in the year 1793, was ill calculated to encourage the formation of a class of natives qualified by their education and character to fill responsible situations in the administration of justice; they were employed at first either in matters only of very inferior importance or under the immediate eye of the judges, but as the necessity of having recourse to their assistance became more and more obvious, the original principle was gradually departed from, and a body of native judicial officers has been formed who now exercise very considerable powers. At first they were entrusted only with the decision of suits for money to the extent of 50 rupees, but in the year 1803 a new class of officers, called Sudder Aumeens, was established. They were invested with power to determine claims referred to them for real and personal property to the amount of 100 rupees. In 1814 their powers and those of the Moonsiffs were increased, and their situations rendered in all respects more efficient and respectable. In 1821 they were still more enlarged, the jurisdiction of the Moonsiffs being extended to cases of 150 rupees, and of the Sudder Aumeens to cases of 500 rupees. In 1827 a regulation was passed, by which the Sudder Aumeens were under certain circumstances vested with power to try claims to the amount of 1,000 rupees; so that, as stated in a minute of one of the judges of the Sudder Dewanny Adawlut, nineteen-twentieths of the original suits instituted in the civil courts throughout the country are now determined by native judges. The most favourable testimony has been borne to their talents and assiduity by many of the authorities to whom they are subordinate, and in the districts where the inhabitants enjoy the benefit of a comparatively efficient administration of civil justice, it is ascribable in a very extensive degree to the instrumentality of those officers. The Sudder Aumeens are now generally men of experience and legal learning; they are assimilated in religion, manners, habits and customs with the people, and they are generally regarded with respect and confidence both by Europeans and natives. The Moonsiffs, where proper persons have been selected, are likewise found to be extremely serviceable, and are well fitted from the local position which they occupy, not only to render justice acceptable to the great body of the people, but to execute a variety of duties delegated to them in the interior of the districts by the superior tribunals. In order, however, to render them generally trustworthy and efficient, they should be placed on a better footing in respect to emolument. With our past experience, we have every reason to believe that if the Moonsiffs as well as the Sudder Aumeens meet with liberal and due encouragement, the agency of both may be safely employed to a much greater extent than it is at present in the administration of civil justice, and that in course of time they may be entrusted with the disposal in the first instance of all original suits now cognizable by the civil courts. But in considering the extent to which powers might at once be raised, I thought it desirable that they should not take cognizance of suits exceeding 5,000 rupees in value or amount. I ascribed much of the success which had attended our efforts to improve the character of our native officers to the caution with which we had proceeded; increased power was conferred upon them so soon as experience justified it, and in proportion to the confidence reposed in them by their fellow subjects. I proposed, therefore, 1st, That the Moonsiffs should be empowered to decide suits for money and other personal property to the amount of 300 rupees, without any restriction as to the period within which the cause of action might arise beyond that which is at present imposed

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imposed by the regulations on the institution of suits in all other courts, and that they should be remunerated for their trouble to the extent of 100 rupees per mensem. 2dly, That the present Sudder Aumeens should be empowered to decide generally all original cases referred to them, to the extent of 1,000 rupees, as well as cases in appeal from the Moonsiffs, on a monthly salary of 200 rupees, with an increase of 50 rupees for such as might hold the office of Moolavie or Pundit; and 3dly, That a superior class of Sudder Aumeens should be entertained for the trial and decision of civil suits between 1,000 and 5,000 rupees, and with powers to determine appeals from such decisions of the second class of Sudder Aumeens and Moonsiffs as might be referred to them for that purpose. I recommended that they should be selected from the law officers of the provincial courts, or that other individuals, of whatever class or religious persuasion, should be chosen, who might, in the opinion of government, on the joint report of the local commissioner and judge, be deemed qualified for the trust, and that they should receive a monthly allowance of not less than 500 sonat rupees. Such an arrangement, I observed, would provide for the disposal, through native agency, of the whole of the original suits regularly cognizable by the zillah and city courts up to 5,000 rupees. The appeals from the Moonsiffs would be referred to the ordinary Sudder Aumeens, and appeals from the ordinary Sudder Aumeens would in like manner be referred to the principal Sudder Aumeens, with a special appeal in both cases to the zillah or city judge. The latter officers would be at liberty to retain on their own files any suits they might think proper. It would be the special duty of the judge to superintend and regulate the proceedings of the native judges, reporting through the Sudder Dewanny Adawlut periodically the degree of estimation in which they might be held. I recommended that the summary jurisdiction with which the judges were invested in matters of rent should be transferred altogether to the collectors, whose decisions should be open to revision by the zillah and city judges on the institution of a regular suit, the parties still retaining the option of instituting a regular suit in the first instance in any court, instead of having recourse to summary process before the collector. I recommended the gradual abolition of the provincial courts, and that their jurisdiction should be transferred to the Sudder Dewanny Adawlut, which latter should be divided into two courts, one for the Lower, and one for the Upper Provinces. I observed, that unless a new Sudder Court were established in the Upper Provinces, or several new judges added to the old one in Calcutta, the provincial courts must be kept up, an arrangement which would in the end be attended with a much heavier cost, and was otherwise undesirable. To augment the numerical strength of the present Sudder Court would not produce a corresponding increase of efficiency, and the control of the judges over the remote districts of the Western Provinces would be exceedingly imperfect and unsatisfactory. I thought that the office of magistrate might continue united to that of judge, where the civil business of the district was so light as to admit of it; but feeling that the efficiency which the police had at length attained, compared with what it was 20 years ago, in promoting the security both of person and property, was perhaps the greatest blessing which the inhabitants yet enjoyed under the British Government, I did not desire to see the office of the magistrate generally united with that of the collector. I observed, that by several late regulations the criminal powers of the magistrates had been greatly increased, and their duties augmented, and that in many districts the heavy duties of the collector could not be superadded without imminent danger to the public interests. In those provinces where the detailed settlement absorbed, and in the opinion of the best informed persons, would continue for very many years to absorb the attention of the collectors, and where they were in future, by a recent enactment, to undertake the investigation of almost every question which could arise relative to rights and interests connected with landed property, I could not contemplate the conjunction of the two offices in the same individual, without entertaining serious apprehensions, that as heretofore one or other department must suffer in the union. It appeared to me important, therefore, that separate magistrates should be appointed wherever practicable. The following memorandum exhibits, in a concise point of view, the nature and extent of the alterations which would be effected in the system by the measures proposed.

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JUDICIAL ESTABLISHMENT.

Present System.	Proposed System.
1. *Moonsiffs* empowered to receive, try and determine suits preferred to them for money and other personal property not exceeding 150 sicca rupees, provided the cause of action shall have arisen within the period of three years previously to the institution of the suit.	Powers extended to 300 rupees, without any restriction in regard to the limitation of time beyond what is contained in the Regulations with reference to suits generally.
2. *Sudder Aumeens* authorized to determine original suits referred to them to the extent of 500, and specially 1,000, and to hear appeals from the decisions of the Moonsiffs.	Powers extended to 1,000 rupees generally, and appeals from the Moonsiffs as before.
3. *Registers* empowered to determine suits up to rupees 500, and specially to any extent referred from the judges' file, as well as appeals from the Moonsiffs and Sudder Aumeens.	Office of Register discontinued, and special Sudder Aumeens established for determining suits from 1,000 rupees to 5,000, and appeals from the ordinary Sudder Aumeens.
4. *Zillah and City Judges* empowered to determine suits to the amount or value of 10,000 rupees, and regular and special appeals from the Register and native functionaries.	Original jurisdiction restricted generally to suits the amount of which is not less than 5,000, and to the cognizance of appeals from the native judicial functionaries; jurisdiction in summary suits for rent transferred entirely to the collector.
5. *Provincial Courts* with original jurisdiction in all cases preferred to them, above the value of 5,000 rupees, and appeals regular and special from the Zillah and City Judges and Sudder Aumeens.	Provincial Courts to be abolished as soon as they shall have completed the business now depending before them.
6. *Court of Sudder Dewanny and Nizamut Adawlut*, consisting of five judges, a register, deputy, &c.	Two Sudder Courts, one for the Lower Provinces on the same establishment as before, and the other for the Western Provinces, to consist of three judges, one register, assistant, &c.

883. It is understood that the improvements proposed in the latter part of that minute have been in a considerable degree acted upon subsequently?—I have reason to know that it has been determined to establish a distinct court of Sudder Dewanny Adawlut and Nizamut Adawlut in the Western Provinces, to limit the original jurisdiction of the zillah and city judges to suits above 5,000 rupees in value, all suits below that amount being rendered cognizable by native judges. The salaries of the native judges have been fixed at different rates, some at 100 rupees a month, some at 150 rupees a month, some at 250 rupees a month, and some at 500 rupees a month. The provincial courts are gradually to be abolished as well as the office of registrar, and summary suits for rent are to be transferred to the collectors. In addition to those changes, it has been resolved to unite the offices of magistrate and collector, to confer police powers on tehsildars, to relieve the revenue commissioners from their duties as criminal judges, and to confide those duties to the zillah and city judges. The latter arrangements were not advocated by me; I do not concur in the expediency of generally uniting the offices of magistrate and collector, or of giving police power to the subordinate revenue officers, and I think that the zillah and city judges cannot perform the duties now executed by circuit judges, without precluding them from the effectual administration of civil justice.

884. Will you state what your objections are to the union of the functions of collectors and magistrates?—The objections are very fully stated in paragraphs 185 to 200 of a letter addressed to the Court of Directors by the government of Bengal, under date of the 22d of February 1827. The chief practical objection in my judgment is, that the collectors of the extensive districts in the ceded and conquered provinces, whose time is already entirely occupied by their other duties, and must continue to be so occupied till the formation of a permanent settlement of the land revenue, cannot adequately perform the additional functions of

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of a magistrate and superintendent of police. The same objection may likewise be applied to several collectorships in the province of Benares and in the Lower Provinces. Other objections exist, but this is the principal one.

885. Do you think that on principle there is any objection to the union of the functions of justice with those of revenue?—I do; but the objection does not appear such as to prevent the arrangements where the officers may have leisure and capacity to undertake both duties. The objections to vesting tehsildars and other subordinate native officers of revenue with the power and functions of police officers, appear to me very serious, conceiving as I do that they would be more likely to abuse their authority even than the present class of police officers. My own opinion, as to the best mode of administering the internal affairs of our old established provinces is, that there should be a separate judge, a separate collector, and a separate magistrate in each district; this plan has been urged and recommended in paragraphs 201 to 208 of the letter addressed to the Court of Directors on the 22d of February 1827, to which I have already referred.

886. Will you suggest any improvements which occur to you in the system of administering civil justice?—I have no doubt that by degrees still more extensive powers may be safely vested in the native judges, and that in the course of time our European judicial officers ought to have no other share in the administration of civil justice than that of superintending the proceedings and hearing appeals from the native judges. At the same time I repeat, that much of our success in qualifying the natives for such trusts is owing to the manner in which those powers have been gradually conferred upon them. The native judges now decide about nineteen-twentieths of all the causes adjudicated by our civil courts; the delay in those cases does not on the average exceed seven or eight months from the first institution to the decision of the suit. In the remaining cases, which are of higher amount, the delay is undoubtedly great; but generally speaking, the delays of our courts are less injurious, in my opinion, than is supposed in this country. It is of course desirable to expedite the decision of all civil controversies as much as possible consistently with justice; and there are means, in my opinion, by which that object may be promoted. The heavy arrear of civil business in our European tribunals in the Lower Provinces is ascribable chiefly to the precipitation with which the permanent settlement was carried into effect, without sufficiently ascertaining and recording the rights and interests of the various classes of proprietors and cultivators of the soil in relation to each other and to the government. The arrears have been further augmented by growing confidence in our tribunals, by the increased value of land, the increased population, and the march of general prosperity and improvement.

887. When you speak of Europeans superintending the native courts, do you mean that they should be present?—No; I meant merely that they should control and watch over the processes of inferior tribunals, acting as an appellate court, as a court ready to correct errors, to prevent abuses, and to apply a prompt remedy to any evils which might arise.

888. Under such a control, and with a power of appeal hanging over them, you conceive the natives might be fit to carry on the functions of judicature without the presence of Europeans?—Yes, their character and capacity for judicial business is improving every day, but they must be sufficiently encouraged and rewarded. In this case I am persuaded they will prove very trust-worthy.

889. Do you conceive that in that respect in which the natives were unfit, namely moral character, they are improving?—Yes, in connexion with an improved education.

890. State why you conceive that the delay which you admit has taken place to some extent in the administration of civil justice is not so injurious as is occasionally supposed?—I think the delay originates in a great degree in the parties themselves, in both parties being frequently desirous of protracting the decision of the court: suits of large amount may generally be supposed to concern rich individuals, to whom the delay of even two or three years in the realization of a claim is of less importance than of a small amount to a poor man. In the latter class of cases, that is, in 19 out of 20 of the whole number, the delay does not appear very considerable.

891. Do you conceive that means might be taken for expediting the proceedings?—I think so.

892. What

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892. What are those means?—By far the greatest part of the business in the zillah courts, and no inconsiderable portion of that in the criminal courts (of the Lower Provinces especially) originates in the want of Regulations explaining and recognizing the different tenures, and of records defining the relative rights, interests and duties of the proprietors, tenants and cultivators of the soil. I am persuaded that not more than one quarter of the business in our civil courts arises from claims or disputes unconnected with land. For the adjustment of mercantile disputes, debts and simple contracts, little more is required than the application of general principles of equity, regulated by a due regard to established usages and customs. What we chiefly want are accurate records and regulations, defining the rights and interests of the cultivators and proprietors of land, in relation to each other and to the government. An intelligible exposition of Hindoo and Mahomedan law would also be useful. It is true that the principles of the law of inheritance, and generally speaking the main branches of the civil law of the Mahomedans, are pretty well known, and do not very frequently give rise to conflicting or irreconcileable opinions amongst the Mahomedan lawyers. By the aid of precedents in cases decided by the Supreme Court and Sudder Dewanny Adawlut, the leading principles of the Mahomedan civil law might be embodied, and might be determined and recognized without difficulty. It is far otherwise, however, with the Hindoo law. On the most important questions connected with the Hindoo law of inheritance, adoption and gift, different commentators give different expositions, and not only pundits of different provinces, but those at the same place, will often give opposite bebustaks on the same question. Some of the most important questions of this description have been decided by the Sudder Dewanny Adawlut. Reports of the cases have been printed, which now form precedents for the guidance of the civil courts, and the Hindoo law may be considered therefore to be fixed as to the specific cases in point. In addition to those cases, the decisions of the Supreme Court in Calcutta, of the Supreme Court and Sudder Adawlut at Madras, and of the Recorder's Court and Court of Ultimate Appeal at Bombay, on questions of Hindoo law, would furnish other adjudicated precedents, some of which might be adopted and recognized as law. Still these cases would be far too few to serve as a solid basis for general legislation, and a long period must elapse before they would materially increase in number and value. To form a plain, practical and efficient code of laws for the administration of civil justice amongst the Hindoos, and perhaps the Mahomedans also, especially in relation to the most important heads, such as inheritance, adoption, dower, gift and some others, the plan suggested by Mr. Mill in his History of British India, appears to me the only one likely to be attended with success. The following extract will show what I mean: "In the first place, as the law, according to what we have already seen, is in a state in which it is to a great degree incapable of performing the offices of law, and must remain almost wholly impotent in a situation in which the deficiencies of law are not supplied by manners, let the law be reformed and put into that state in which alone it is adapted to answer the ends for which it is intended. Let the laws, whatever they may, for the security of existing rights, or the attainment of future advantages, be determined to be, receive what alone can bestow upon them a fixed or real existence; let them all be expressed in a written form of words, words as precise and accurate as it is possible to make them, and let them be published in a book." This is what is understood by a code; without such a code there can be no good administration of justice in such a state of things as that in India; there can, without it, be no such administration of justice as consists with any tolerable degree of human happiness or national prosperity. In providing this most important instrument of justice, no further difficulty will be found than the application of the due measure of virtue and intelligence not to be looked for in the classes whose interests the vices of the law promote. Sir William Jones and others recognized the demand for a code of Indian law, but unhappily thought of no better expedient than that of employing some of the natives themselves, as if one of the most difficult tasks to which the human mind can be applied, a work to which the highest measure of European intelligence is not more than equal, could be expected to be tolerably performed by the unenlightened and perverted intellects of a few Indian pundits. With no sanction of reason could anything better be expected than that which was in reality produced, a disorderly compilation of loose, vague, stupid or unintelligible quotations and maxims, selected arbitrarily from books of law, books of devotion, and books of poetry, attended with a commentary which only adds to the mass of absurdity and

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and darkness, a farrago by which nothing is defined, nothing established, and from which, in the distribution of justice, no assistance beyond the materials of a gross inference can for any purpose be derived. To apply the authority of religion, or any other authority than that of the government, to the establishment of law, is now unnecessary, because the great and multiplied changes which the English have made in all the interior regulations of society have already destroyed, in the minds of the natives, the association between the ideas of religion and the ideas of law. But at any time for combining the authority of religion with that of law, nothing more was required than what might still be advisable, namely, to associate the most celebrated of the pundits. For digesting the law into an accurate code, such men would be altogether unqualified; but they might lend their peculiar and local knowledge to him to whom the task is assigned, and they might easily and effectually annex the authority of religion to his definitions, by subjoining quotations from their sacred books, and declaring the words of the code to be the true interpretation of them. The law of the natives, and the minds of its interpreters, are equally pliant. The words to which any appeal can be made, as the words of the law, are so vague and so variable, that they can be accommodated to any meaning; and such is the eagerness of the pundits to raise themselves in the esteem of their masters, that they show the greatest desire to extract from the loose language of their sacred books whatever opinions they conceive to bear the greatest resemblance to theirs. It would require but little management to obtain the cordial co-operation of the doctors, both Moslem and Hindoo, in covering the whole field of law with accurate "definitions and provisions, giving security to all exisiting rights, and the most beneficial order to those which were yet to accrue." The difficulty of successfully executing a task of this nature is considerable. The public officer or officers employed upon it should be in possession of qualifications not ordinarily to be found in the same person, viz. a familiar acquaintance with the habits and feelings of the natives, an intimate knowledge of the Sanscrit language, some, if not a very extensive, acquaintance with the civil laws both of ancient Rome and of the nations of Europe, a clear and comprehensive judgment, and great industry. The promulgation of a code so concocted and supported by the opinion of the pundits and moolvees, as to its general correspondence, in its main features, with the doctrines of Hindoo and Mahomedan commentators, would not shock the prejudices of the natives, although it might be found in some instances to differ from the construction commonly prevailing in some parts of the country, or amongst some tribes and sects, and in others even to be decidedly at variance with principles hitherto more generally recognized. The minute subdivision of real property, which both the Hindoo and Mahomedan laws of inheritance have a rapid and direct tendency to produce, is a very serious evil, and might be beneficially restrained. It might also be rendered imperative that all mutations and transfers of real property, all wills, deeds of dower, gift and adoption, should be recorded in registry-offices established on similar principles to the registry required by law in Scotland, Middlesex, and part of Yorkshire. Benamee transfers or transfers in fictitious names of real property might be guarded against. With regard to Regulations which relate to particular branches of revenue, such as salt, opium, customs, stamps, coinage, or to the duties, powers and functions of different classes of our native officers, or to the forms of procedure in any particular department of the administration, the details of each subject might be consolidated and included in a distinct law, to which all subsequent rules or emendations might be annexed as a supplement. This has already been done in many instances in Bengal, and generally at Bombay. All or most of these measures would be beneficial; but they appear to me to be matters of much less importance than that of defining and recognizing the claims, rights and interests of the various classes of cultivators, farmers and proprietors of the land. To the want of such information is to be ascribed almost all our difficulties in the administration of civil justice, and the chief part of whatever distress and oppression prevails in the Lower Provinces.

893. Would it not be possible to make provision in any code for the various customs of different districts?—Certainly. I do not of course propose that there should be one code for the whole of India, or for all the provinces under one presidency; but by supplying the defect which I stated of the want of records, by defining the rights and tenures of the cultivators of the soil, and the different classes of tenantry, we should do more to diminish the mass of civil business, than by any other measure which occurs to me.

894. Notwithstanding

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894. Notwithstanding our administration of civil justice has been defective, do you think it has been sufficiently good to attract the confidence of the natives in general?—I do. Their confidence in the European courts proceeds no doubt from their opinion of our greater integrity, and the superiority of our moral character; but if the natives had the same advantages in those respects, I should consider them infinitely better qualified for the administration of justice in India than any European possibly can be.

895. Do you conceive that the natives would become qualified for the situation of justices of the peace?—I feel more hesitation in giving an opinion as to their fitness at present to exercise the powers of a magistrate, but I see no reason why by degrees they should not be entrusted with duties of the nature alluded to. They are already empowered to take cognizance of, and to punish for petty offences.

896. Would there be an objection to render them eligible to be justices of the peace, at least at the presidencies, leaving it to the local government to select individuals who might be qualified to discharge the duties of the office?—Under the vigilant superintendence of an European officer, the experiment might be tried without material danger, but I do not think they could yet be trusted with extensive magisterial functions, especially at a distance from European superintendence.

897. Are there any defects in the laws on any particular subject which you think require to be removed?—I think it desirable that the laws on the subject of usury should be modified or abolished. Our laws with regard to interest are, that claims upon bonds, &c. stipulating for more than 12 per cent. are void so far as regards the interest; a plaintiff cannot obtain a judgment for interest in such cases, though if the rate of interest has been openly stated on the face of the document, however much it may exceed the legal rate, our courts can give judgment for the principal; if, on the contrary, there be any attempt to elude the law, by a deduction from the loan, or by other disguise, neither principal nor interest can be recovered in our courts. In lieu of this law, I would leave parties at liberty to fix their own terms, without any restraint whatever.

898. You would have the rate of interest wholly unregulated by law, and that that particular agreement should be vitiated as others would be, only by fraud?—Just so.

899. The rate of interest is now much below 12 per cent., is it not?—Among respectable bankers and European traders in large towns, the rate of interest is much below 12 per cent., but in small dealings in the interior among the natives, it is much larger; 24 and 30 per cent. is not at all unusual. The borrowers pay, of course, for the risk which is run by the lenders in violating the law. Another measure which would facilitate the administration of justice has been already adverted to; I mean the registry of deeds in the manner long practised in Scotland. The process also in cases of bond debts, and of other claims on written documents, might be materially simplified, and the decision of such cases greatly expedited. We might limit the minute subdivision of landed property which now prevails to an injurious extent both amongst Hindoos and Mahomedans. Lastly, I would say that every effort should be made to raise the standard of qualification of European judges, as well as of native judges.

900. In what manner do you conceive that the qualifications of the native judges may be raised?—By suitable salaries and a more perfect education. Integrity is in one sense a purchaseable article, and by paying the natives whom we employ more liberally, we shall have a much better chance of securing that qualification in which they are most deficient. By the process of an improved education we are now raising up men infinitely better fitted by their knowledge for the discharge of judicial and other duties than the country has yet furnished.

901. Would the increased emolument have the effect of merely improving those who would otherwise attain those situations, or be candidates for them, or do you think it would be the means of attracting into the profession men of a higher caste?—It would sometimes perhaps attract men of higher rank, and possessing better qualifications, and the enjoyment of an office of considerable emolument would generally render the temptation to be corrupt much less powerful, and would make men careful to avoid the hazard of the loss of their offices by misconduct.

902. With regard to the qualifications of the Europeans who are to exercise judicial functions, what means would you suggest for the improvement of those?—By a more careful selection in England of the individuals who are destined for the civil service generally, and in India by a selection of the very ablest and most competent of those civil servants for judicial offices.

 903. Are

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903. Are not the fittest persons selected in India for judicial situations, generally speaking?—For the higher offices I think they are, but not always for the situation of zillah and city judges. I think that latterly the feeling has been towards appointing the ablest men to the revenue department, the duties of which are indeed highly important, particularly in the Western Provinces.

904. What effect has the institution at Haileybury had with regard to the qualifications of the writers, as evinced in India?—Speaking from a general recollection of the young men of my own standing, and of those who subsequently came out before the College at Haileybury existed, I should say that I have not observed any very material improvement from the education of Haileybury. Better qualified persons for the civil service in India might be obtained by appointing to Haileybury two or even three individuals for every one individual who is ultimately destined for the civil service in India, so that out of 20 or 30 men the 10 best should be selected. It is in vain to deny the fact, that very unfit men have occasionally gone out as civil servants to India. Another suggestion which I have heard is, that officers for civil duties in India should be selected from the general body of military officers in the Honourable Company's service, after they shall have been for a considerable time employed in the country, and their qualifications, talents and capacity shall have been fully developed and ascertained.

905. According to that scheme, all those who are to serve the Company would go out as officers in the army, and be eligible afterwards for civil situations?—Yes; the prize would be so valuable that it would induce a great number of the young officers to study the languages, and to conduct themselves with propriety, and generally to qualify themselves for situations in the civil service; the only danger would be, that undue influence might be used in the selection of the individuals.

906. Would not there be a danger of raising discontent in the army on the part of those not selected?—That danger certainly would exist in some degree; but the same objection may be urged against a selection of officers from the whole body of the army for staff situations, not merely of a strictly military nature, but of a civil nature. Several military men are employed in the political department, and in charge of districts as collectors and magistrates.

907. Would you recommend the adoption of the plans you have proposed; or do you merely suggest them for consideration?—I merely allude to them as deserving consideration, not having formed any very decided opinion upon the subject myself.

908. Recurring to the questions of qualification to be acquired in England by writers going to India, do you conceive that means should be taken of giving a full education in the principles of law to the writers, or some of them; or would it be proper that the selection of European servants for the judicial or other situations should be made only in India?—I am of opinion that it would be desirable that the education of young men destined for the civil service in India should be carried to a greater extent than it is at present in England; that they should not go out to India much before the age of 21 or 22; that they should have every possible advantage of general education in England, without any of their time being sacrificed, as I think it is sacrificed, to the study of native languages; and that the selection ultimately for judicial offices should be made exclusively in India: but I would give, if possible, to those young men who in India make choice of or are selected for the judicial department, special opportunities of attending the superior courts of justice, both the Supreme Court and the Sudder Dewanny Adawlut. Instruction in the general principles of civil law and the laws of evidence would be useful; but I would say, that no one can be well qualified for a judicial office in India without going through some of the details of the revenue department in the interior of the country, as giving them the opportunities of becoming familiarly acquainted with the language, the people, and the usages of the country, and with questions most frequently litigated in our courts of justice.

909. On the supposition that a young man, in the course of education in this country, showed any particular aptitude or inclination for some specific branch of study, do you see any objection to allowing his proving his qualification to go out, by his superior eminence in that department, without exacting from him an average share of qualification in other departments?—I am aware of no objection, provided his general character and past conduct be also satisfactory. A habit of dissipation and extravagance should be a complete disqualification for the service; it has, in individual instances, proved very injurious to the administration of India; and that is

is one motive for recommending that civil servants should leave England at a later period of life than they do at present.

910. Have the young writers arriving in Calcutta had opportunities of dissipation and temptations to it, which under a better system might be avoided?—There can be no doubt that the collection together of a number of young men in a place like Calcutta, which affords great facilities for dissipation, has led to much extravagance and much injury to individuals and the public; but of late years, during the administration of Lord William Bentinck, the mischiefs arising from that cause have, in my opinion, been materially diminished, so as not now to form any solid ground of objection to the College in Calcutta. Under the present vigilant superintendence, no young man who is either in a slight degree dissipated or habitually neglectful of his collegiate studies, is permitted to remain in Calcutta, but is immediately removed to a station in the interior of the country, and placed under the eye of some respectable civil servant. Those who do remain in Calcutta, who have no such tendency to dissipation, possess great facilities, by the establishment of the College of Fort William, for the acquisition of the native languages, and the period employed in acquiring those languages is very much shortened in consequence.

911. Do you think that a young man going out so late as 21 or 22 would be able to acquire the native languages sufficiently for the purposes of judicature?—I have no doubt that the acquisition of the languages would be rendered more difficult by the difference of age, but I see nothing to prevent a man at the age of 21 or 22 from acquiring the native languages with sufficient accuracy to transact those duties which would eventually devolve upon him.

912. If a writer does not go out till 21, might he not previously acquire some acquaintance with the rudiments of the languages, without its interfering with his general acquirements?—He certainly could do so; I have known individual instances of men coming out to India well acquainted with the Persian language, who have had no other instruction than that which England afforded to them; but there are so many more facilities for acquiring the languages on the spot, that it is almost a waste of time to study them in England. That time might be devoted to more important studies.

913. Do you think a person arriving there at 22 could acquire the language so as to hold familiar conversation and communication with the natives in their own language?—I see no reason why he should not; the organs of utterance are certainly not so flexible at a more advanced age, and probably he will not speak, as he would by learning at an earlier age, quite so idiomatically or with so perfect a pronunciation, as he would if he learnt the language on the spot at an earlier age.

914. You think it is not at all an insuperable obstacle?—I think it is not.

915. Will you state what is your opinion as to the efficiency of the present system of criminal justice established in the Company's courts; can you suggest any improvement in it?—I entertain, upon the whole, a very favourable opinion of the manner in which criminal justice is administered in the interior of the Company's provinces in the Bengal Presidency; our criminal laws are mild in the degree of punishment they award; prisoners are brought to trial without any great delay; abundant care is taken to guard against their being convicted unjustly; and, upon the whole, I think the system works very well. I am possessed of a memorandum intended to show the operation of the criminal laws and the state of crime under the Bengal Presidency. The Memorandum in question, with the Tables annexed, were prepared by the late lamented and very intelligent public officer, Mr. Edward Strachey, who sent them to me not long before his death. It was his intention to have submitted them to the Committee, as containing a full and satisfactory view of the operation of the criminal laws as administered in Bengal. The Memorandum commences with a short explanation of the system of police and criminal judicature established in the Lower and Western Provinces, explaining the powers and authorities exercised by the magistrates, the judges of circuit, and the Nizamut Adawlut. The Tables exhibit a list of the most heinous crimes ascertained to have been committed in the Lower and Western Provinces of Bengal for a series of years, the number of commitments and convictions in the criminal courts, with the punishments to which those convicted were sentenced. The results are afterwards compared with the convictions and punishments in England and Wales, in Ireland, and in several countries in Continental Europe.

[*The witness delivered in the same, which was read.*—*See p.* 92.]

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Of late years the punishments formerly applicable to crimes of different denominations have been very much mitigated in severity; extraordinary care is paid to the comfort and health of the prisoners confined in our gaols; our police officers have been furnished with a manual of instructions (Regulation XX. 1817), which I conceive to be valuable in themselves, and to have operated to prevent in a considerable degree abuses which formerly were prevalent among the police officers; and, generally speaking, the whole system of police and administration of criminal justice has greatly improved of late years, and is in practice very efficient. I am of opinion that the use of oaths in our courts of justice might be abandoned without injury, if not with advantage; the great cause of failure in the administration of criminal as well as of civil justice is the habitual disregard for truth, which unhappily pervades the bulk of the native community, and the little security which the obligation of an oath adds to the testimony of witnesses. I do not believe that this characteristic vice of the natives of India has been fostered or increased by the establishment of our courts of justice, as is generally imagined; the same vice has been found to prevail to at least an equal extent in Mysore, in the Mahratta country, and in other parts of India, to which our authority has not extended, and where our institutions were totally unknown; false testimony has, in certain cases, been directly encouraged and approved by the sanction of the great lawgiver of the Hindoos; the offence of perjury can be expiated by very simple penances, and the inhabitants of India generally must undergo a great moral regeneration before the evil which saps the very foundations of justice, and bars all confidence between man and man, shall be effectually remedied. My own impression is, that, generally speaking, the moral sanction of an oath does not, especially among the lower classes, materially add to the value of native testimony; that the only practical restraint on perjury, is dread of the punishment prescribed by law for that offence, and that the fear of consequences in a future state, or the apprehended loss of character and reputation amongst their countrymen, has little effect in securing true and honest testimony on the part of those who may be influenced by the bias of fear, favour or affection. I think the experiment of dispensing with oaths in civil and criminal cases of minor importance might be tried in the first instance, and afterwards extended, if it succeeded, to cases of higher importance. Already persons of respectability are exempted from taking an oath in our courts of justice on signing a solemn declaration, prescribed by the Regulations. Retrospective oaths are no longer taken by the law officers of our civil and criminal courts; and the ministerial native officer of the courts of judicature, and other native officers employed in the judicial or revenue departments, or in any public office whatsoever, are no longer compelled to take and subscribe an oath previously to entering upon the discharge of the duties of the office, but are now required only to subscribe a solemn declaration to the same effect. Every effort has been made by the government to promote a knowledge of our laws, by publishing, both in the English and native languages, abstracts and digests of them, as well as precedents of cases decided by the highest tribunals, and by instructing those natives who are destined for public situations in the principles of our judicial administration, as far as it can be done in the colleges and seminaries established by government. The progress of education in India within the last six or eight years, has been very rapid; and if funds could be afforded, a much larger supply of native officers, fitted for the administration of the affairs of the country, might be furnished. I do not think that there is any chance of the English language being introduced generally, or being made a substitute for the Persian language in our courts of justice; it might indeed be brought into use by degrees in the districts immediately proximate to Calcutta, but even then I should doubt the advantage or utility of a change.

916. Is the evidence of witnesses who do not understand Persian, put down in the Persian language, and in that only?—Every witness has the option of having his evidence taken down in Persian, or in the language or dialect with which he is most familiar, and in Bengal, I believe it to be the general practice to take down and record the evidence of the Hindoo natives of Bengal in the Bengalese language. Mahomedans, who speak the Hindostanee language, generally have their evidence taken down in Persian; the Hindostanee language having no proper character of its own, and Persian being understood by every Mahomedan of education. In the Western Provinces the dialects are various, and the Naguree character cannot be written very rapidly. On these accounts the evidence is, I believe, generally recorded in the Persian language.

917. You

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917. You have stated your opinion as to the present state of civil and criminal justice in the courts of Bengal, and have suggested some improvements. On the supposition that there were an increased number of Europeans, either as settlers or as mere residents in the interior of the country, do you conceive that the present courts, or generally the present judicial system of the country, could remain, or that the improvements to which you have adverted could be in that case successfully introduced?—My answer to that question would be guided a good deal by the number of Englishmen likely to proceed to India. If the number were small, I should not consider any changes exclusively for the benefit of those few individuals necessary; if the number, on the contrary, was very considerable, and if it were designed to encourage the influx of Englishmen into the interior of India, then undoubtedly some changes would be desirable; but whatever changes are effected, if they are really improvements, should be shared by the natives in an equal degree with Englishmen. I think that we ought not to legislate with a special regard for Englishmen, and that the natives have a superior claim to consideration in questions of improving our system for the administration of justice in India. At the present moment foreign Europeans, Frenchmen, Dutchmen and Germans, of whom there are many individuals in the interior of our provinces, are subject to our laws and tribunals, civil and criminal, on precisely the same footing as the natives of India, and I have never heard of any serious complaints upon that point; at the same time, whatever improvements in the laws themselves or their administration may be desirable, should I think be left to the local administration in India, and should not emanate, except as regards general principles, from England. If the Parliament of Great Britain could be satisfied with leaving the legislative powers in the hands of the Governor-General and Council exclusively in India, I should prefer that to a Legislative Council; but if, as is perhaps to be expected, such should not be considered desirable, I see no objection to the plan proposed in Bengal of establishing a Legislative Council, comprising the judges of the Supreme Court and the members of government; nor should I see any objection to the admission of other persons into the Council, provided they were to be selected by the government in India, with the approbation of the home authorities.

918. If increased facilities were given to the entrance of Europeans into the interior of the country, and to their residence and settlement, do you think that a materially increased number of British subjects would be found to avail themselves of such facilities?—My impression is, that very exaggerated notions are entertained in England both of the advantages and disadvantages likely to result from affording increased facilities to the admission of British subjects into the interior of India. I do not think there would be any great influx of Englishmen, under any advantages which could be held out to them in India, or that they would bring any great accession of capital to that already existing there; and I do not, therefore, anticipate either any large benefits or any considerable injury from such a change in the present system.

919. What are your particular reasons for supposing there might not be a considerable influx of Europeans into India, if there were unlimited powers given to them to resort thither?—I think that of late years those who were desirous of settling there have had little or no difficulty in doing so. The government of Bengal has rarely, if ever, refused the application (however contrary to law) of individuals who wished to go into the interior of the country; and the Board of Control have, I believe, granted permission in instances in which it had been refused by the Court of Directors. My opinion that no capital will be brought from England into India arises from little or none having been brought hitherto, even at periods when interest has been at a much higher rate than it now is.

920. Do you think more capital would not go to India if the restriction on Europeans resorting to India was altogether taken away?—I do not think that capital would be sent from England, but I think that capital which would be otherwise remitted to England would probably remain in India.

921. Do you not think that Europeans without capital, persons of broken fortunes and character, might be tempted to go out as adventurers?—That is a mischief to be apprehended; but I think that they would fail of success there, and that their residence would be of short duration.

922. Might they not in the meantime create disturbance in the interior of India,

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India, if they were allowed indiscriminately to go there?—I think if there were no power vested in government to remove them that would be the case.

923. You think that a discretionary power ought to be vested in the government of India to remove Europeans who disturbed the peace of the country?—I would say, it is not necessary to remove them from India, but that a discretionary power should be vested in the government of removing them from the interior of the country to the presidency. I think that permission should be obtained by individuals wishing to go from Calcutta into the interior, and that the government should have the power of removing individuals grossly misconducting themselves from the country to the presidency; Europeans might be guilty of violent, insulting and offensive conduct, which though not perhaps punishable by law, might be extremely irritating and distressing to the natives.

924. You think that might answer the purpose without the power of deportation?—Yes, I think that the latter would then be unnecessary. So long as the government could remove them from the interior to Calcutta, the chief cause of danger would cease.

925. Supposing, for argument sake, an increased number of Europeans in the interior of the country subject to provincial judicature, do you think it would be possible in that case to extend the powers of employment of natives as judges in the provincial courts in the manner contemplated by some of your previous answers?—I think that under no circumstances would an Englishman residing in the interior of the country like to be subjected to the jurisdiction of a native judge either civil or criminal.

926. Do you think it advisable that he should be?—I cannot say that I do; unless the number of Europeans were great, I see no reason why an European judge should not be associated with a native judge in the cognizance of the few cases where Europeans were parties, the other parties being natives.

927. How far are foreign Europeans who reside in the interior of the country subject to the jurisdiction of the Company's courts?—In criminal cases they are subject like the natives to the jurisdiction of the Magistrates' Court, the Court of Circuit and the Nizamut Adawlut, all of which are superintended by British European subjects, and are not liable to be sentenced to punishment by a native. The only natives who are vested in any degree with the administration of criminal justice are the Sudder Aumeens, to whom petty cases are referred, assaults and trespasses and petty thefts and slight misdemeanors, at the discretion of the magistrate. In such cases they can award a judgment of imprisonment not exceeding 15 days, and a small fine, but not corporeal punishment.

928. May those judgments be carried into effect without the authority of the magistrate?—The parties have a right to appeal to the magistrate from them, but if there is no appeal they are carried into effect.

929. Would Europeans, not British subjects, be subjected to those persons?—If the magistrate chose to refer the case to them they would, but that has rarely, if ever, been done, and I think it would be generally considered objectionable. In civil cases, a foreign European would have his claim decided precisely in the same manner as the natives themselves.

930. Has the circumstance of a foreigner, being subject in civil cases to the jurisdiction of the country courts, been found to operate as an obstacle to foreign Europeans settling or residing in those districts?—No, I do not think that their being subject to those courts has operated in the slightest degree to prevent their settling in India. Generally speaking, I should say the magistrate would not refer the cases of foreign Europeans to native judges, but would rather retain them on his own file, and this not from consideration to the European, but to the native judge himself; the danger being, in my opinion, that the native judge would either from fear or other motive be inclined to do more for the European or British subject than for the native.

931. Do you think that the employment of the natives in the administration of civil justice in India beyond that you have mentioned, would be satisfactory to the natives themselves?—I think that the natives employed as judges will, if properly treated and remunerated, merit and receive increased confidence from their countrymen as well as from Europeans, and this in the administration of criminal as well as of civil justice.

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932. Can you give the Committee any information with respect to the costs of suit in the country courts of Bengal?—The amount of the expense to which the parties are subjected in the adjudication of cases in our civil courts in the interior of the country, has, I think, been misunderstood; the costs incurred by both parties in civil suits cognizable in the courts of Moonsiffs and Sudder Aumeens, which vary in their value from 10 to 500 rupees, or from 1 *l.* to 50 *l.* sterling, including the expense of both parties from the commencement to the conclusion of the suit, amount on an average to 22 per cent. In suits from 500 to 5,000 rupees, or in those ordinarily cognizable by the Zillah Judges, the costs to both parties, as above explained, average about 16 per cent. of the value of the thing litigated. In the class of suits tried by the Provincial Judges, the expense is, on the average proportion, nine per cent. In suits cognizable by the Sudder Dewanny Adawlut, about six per cent. Those results were founded on official inquiries made in the year 1818; they include all authorized costs and expenses of every description charged to both plaintiff and defendant, the institution fee, the fees on exhibits and processes of all kinds, stamps, paper, pleader's fees, allowances to witnesses, &c. The amount is charged in the decree to the plaintiff or to the defendant, or divided between the parties, according to the nature of the decision. The expense, considerable as it appears in cases below 500 rupees, is not heavy, when compared with that incurred by litigants in courts of law or equity in England in contested claims to a similar amount.

933. If a suit goes through all its stages, the per-centage must be added in each court?—Yes; but in appeals the expense of taking fresh evidence is rarely incurred, and the pleadings are much shorter.

934. Are you favourable to the mode of trying by punchayet?—The subject of the punchayet has been very fully discussed in paragraphs 33 to 72 of a Despatch, dated 22d February 1827, from the Bengal Government to the Court of Directors. That Despatch contains a general review of the judicial administration, civil and criminal, under the Presidency of Bengal; and I beg leave to refer to it for my sentiments generally on the actual state, and the means of improving our judicial system.

See Appendix.

I am adverse to the introduction of punchayets as a formal and legalized part of our system for the settlement of claims to real or personal property, but as an institution for regulating questions of caste and religious discipline, of alleged breaches of the conventional rules or bye-laws of trades, professions, societies or classes of people united for civil or religious purposes, I consider the punchayet to be highly useful; it exercises a species of jurisdiction for which our tribunals are particularly ill qualified, and it is very important that the jurisdiction should remain as long as possible with those to whom it is confided by the voluntary acquiescence and submission of the parties most deeply interested.

It is a subject of regret that the natives can rarely be prevailed upon to submit ordinary civil controversies to the adjustment of a punchayet by arbitration.

Every European judge urges and encourages parties in suits before him to adopt this course, but with very little success. I may observe, that the Bombay Regulations authorize the European judges presiding over civil or criminal courts to seek assistance, whenever they may desire it, from respectable natives, by employing them as assessors; but without allowing their opinion to bind or control the final decision of the judge.

I think that a similar rule might be adopted with advantage in the courts under the Bengal Presidency.

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TABLES intended to show the Operation of the CRIMINAL LAWS and the State of CRIME in BENGAL; referred to in the Evidence of *W. B. Bayley*, Esq., p. 87.

REMARKS.

THE countries here referred to are not the whole territory under the Bengal government, but that part of it only (called the Lower and Western Provinces) which is subject to the General Regulations.

Some explanation of the system of police and criminal judicature established in those countries is necessary before the Tables are particularly noticed.

The police jurisdictions under darogahs were originally intended to include spaces of about 20 miles square, but they are of greater or less extent as circumstances require. There are from 15 to 20 thannahs or darogahs' stations in a zillah, the total number being in the Lower Provinces near 500, and in the Western near 400. At each station under the darogah are a mohurer or writer, and a jemadar, with from 20 to 50 burkundauzes, peons, or irregular soldiers. It is not to be understood that the whole business of the police is performed by these establishments. The zemindars or their agents, or other local officers or servants under them, are required to give immediate information at the principal police station of all crimes committed within their limits, and the duty of tracing and apprehending criminals is chiefly performed by the village officers or servants under the occasional direction and supervision of some person from the thannah.

The darogahs report their proceedings regularly to the magistrate, and receive orders from him. Their principal duties are to receive criminal charges, to hold inquests, to forward accused persons with their prosecutors and witnesses to the magistrate, and generally to perform such acts as the regulations prescribe with a view to the discovery, apprehension and ultimate trial of offenders. The darogahs are prohibited from taking cognizance of charges for adultery, fornication, calumny, abusive language, slight trespass, and inconsiderable assaults; persons who prefer such complaints are to be referred to the magistrate.

The magistrate's duty is to apprehend all disturbers of the peace and persons charged before him with crimes and misdemeanors; he is authorized to try complaints for certain offences, and to punish to a certain extent. In other cases he commits offenders to be tried before the Court of Circuit. In cases of burglary, theft or other depredations not amounting to robbery by open violence, and of affrays unattended with aggravating circumstances, the magistrates are empowered to inflict punishment as far as two years' imprisonment, with hard labour and stripes with a rattan. For other offences the magistrates are empowered to punish as far as imprisonment for one year, or fine not exceeding 200 rupees. The crimes for which magistrates are authorized to inflict these punishments are in the regulations only, referred to generally in these words: "In all cases of conviction before them of any criminal offence punishable by the Mahomedan law and the Regulations,"* magistrates' assistants, when specially authorized by government, are empowered to punish to the extent of imprisonment for a year, or 200 rupees fine; and in cases of theft, 30 stripes with a rattan. Assistants not vested with special powers are authorized to punish in various cases of petty offences to the extent of 15 days' imprisonment, and a fine of 50 rupees, commutable, if the fine be not paid, to 15 days further imprisonment; and in cases of petty theft, to the extent of 30 stripes with a rattan, and a month's imprisonment. The Hindoo or Mahomedan law officers of the Zillah Courts also are empowered to try petty cases referred to them by the magistrates, and to inflict pnnishment to the extent allowed to assistants not vested with special powers. There were in 1825, in the Lower and Western Provinces, including Cuttack, 63 stations of magistrates and joint magistrates.

The Courts of Circuit, before the changes introduced in 1829, consisted each of four or more judges, with two Mahomedan law officers. There were four of these tribunals at principal stations in the Lower Provinces, and two in the Western. When the judges were on circuit, one of them, with a law officer as an assessor, formed a court, and held half-yearly sessions and gaol deliveries at each station, the judges going in rotation within their own divisions. Before this court all prisoners committed or held to bail by the magistrate were tried. The number of stations of magistrate and joint magistrates visited by them, were 29 in the Lower Provinces, and 21 in the Western. The duties of the circuit are

* The Regulations, however, do not specify what those offences are which are punishable by the Mahomedan law, nor do they require that any reference should be made by the magistrate to a Mahomedan law officer, as in the Court of Circuit; and the offences declared by the Regulations to be punishable by the magistrates are spoken of merely as petty offences; such as abusive language, calumny, inconsiderable assaults, or affrays and petty thefts.

are in future to be performed by a commissioner; but the rules for the conduct of this officer as a judge of circuit are generally the same as the old ones. When the proceedings on a trial are closed, the law officer gives his futwa, or law exposition on the case. If the futwa acquit the prisoner, the judge, if he concur in the acquittal, orders the prisoner to be released. If the futwa declare the prisoner guilty, the judge, if he concur, and is empowered by the Regulations to pass final sentence in the case, passes sentence accordingly. If he disapprove the futwa, or is not authorized to pass a final sentence, he refers the proceedings to the Nizamut Adawlut. The judge of circuit is competent, in certain cases, to pass sentence to the extent of 14 years' imprisonment, and corporeal punishment. If the prisoner be liable to perpetual imprisonment, or the punishment of death, the proceedings are sent to the Nizamut Adawlut; in the former case sentence is passed by the judge of circuit, but it requires the confirmation of the Nizamut Adawlut, and in the latter he does not pass sentence. The Mahomedan law (notwithstanding the futwa) is not always the guide of the circuit judge, it is modified by many enactments of the Regulations, and it is according to the Regulations, and not, strictly speaking, according to the Mahomedan law that criminal justice is administered in the Courts of Circuit. These courts are bound to conduct their proceedings under prescribed rules. They are, moreover, vested with powers of superintendence and control over the magistrates within their respective divisions. They can call for the magistrate's proceedings, and pass such orders on them as they think proper. The judges on circuit, after their half-year goal deliveries at every zillah station, make a report to the Nizamut Adawlut, comprising an account of all such matters as they deem of importance to communicate relating to the police and administration of criminal justice in each zillah, with any propositions for improvement which they may think fit to make, and the Nizamut Adawlut forward the reports with their comments to Government.

The Nizamut Adawlut, or superior criminal court stationed at Calcutta, has for some years past consisted of five judges, with a sufficient number of law officers. By this court orders or sentences are passed on trials referred to them by the Court of Circuit. They are empowered to mitigate punishments, and in cases not specially provided for, they can inflict on criminals, punishment to any extent short of death. They superintend and control the proceedings of the Courts of Circuit and the magistrates; they take cognizance of all matters relating to the administration of justice in criminal cases, and to the police of the country, and they expound the Regulations in all doubtful points.

The powers of all the judicial officers have been from time to time defined and modified by various regulations, and rules of procedure, with every check against abuse, and every safeguard for justice that could be devised, have been prescribed. In every case provision is made for the due reception of all evidence on both sides, all the proceedings are recorded, and all (except those before the Nizamut Adawlut) are subject to a revision by a superior court.

Although all final sentences of death, or perpetual imprisonment, are passed by the judges of the Nizamut Adawlut, the opinions of the judges of circuit, of the law officers, of the Court of Circuit, and of the law officers of the Nizamut Adawlut, must be submitted to them with the trial in every case, and must be considered before such sentences can be passed. Under the checks thus provided, the fate of persons subject to the extreme penalty of the law is decided with the most scrupulous care and humanity *.

In

* The manner in which this duty is performed in Bengal will be seen from the following account:

In five years, viz. from 1816 to 1820, the cases of 734 persons, charged with murder in the Western Provinces, were referred to the Nizamut Adawlut; of these, 307 were acquitted, 349 were sentenced to death or perpetual imprisonment, and 78 to inferior degrees of punishment.

In 325 cases, the decisions of the judges of the Nizamut Adawlut were opposed to one or more of the inferior judicial authorities; that is to say, the circuit judge, the law officer of the Court of Circuit, law officers of the Nizamut Adawlut.

In 78, their decisions were opposed, not to the conviction of the prisoner, but as to the degree of his criminality and his punishment.

In 331, their decisions were not opposed.

Of the opposed decisions, 37 were acquittals, and 288 convictions.

Of the 37 acquittals, 7 were opposed to the opinion of the judge of circuit alone, 2 to the opinions of the judge of circuit and his law officer, 17 to the opinion of the law officers of the Court of Circuit alone, 1 to the opinions of the law officers of both courts, and 10 to the opinions of the law officers of the Nizamut Adawlut alone.

Of the 288 acquittals, the opposed opinions were, 70 of the judge of circuit alone, 99 of the judge of circuit and the law officers of both courts, 41 of the judge of circuit and his law officer, 21 of the judge of circuit and law officers of the Nizamut Adawlut, 37 of the law officer of the Court of Circuit alone, 20 of the law officers of both courts.

In 349 convictions by the judges of the Nizamut Adawlut, their sentences were in opposition to the judge of circuit in 9 cases, to the law officers of the Court of Circuit in 20, to the law officers of the Nizamut Adawlut in 11.

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In some parts of Europe (England and France for example), where information affecting the interests of men in society is extensively and easily diffused, most of the offences highly injurious to individuals or to the community are made generally known soon after they are committed, but no accounts of them are recorded; and it is only by statements of the operation of the criminal courts that any sort of approach can be made to an official knowledge of the number of crimes committed throughout the country. In India, however, the state of things is different, and unless through the intervention of officers employed by government, the commission of offences is little known beyond the immediate neigbourhood of the place where they have occurred. It is the special care of the Bengal government to procure an account of every considerable crime committed in the country, whether the culprit be brought before a tribunal or not; but the statements of the number of persons convicted of different crimes, especially those referred to the Nizamut Adawlut, are yet in an imperfect state.

The yearly reports made to government by the superintendents of police contain statements of the number of heinous crimes committed in each zillah or magistrate's jurisdiction, distinguishing them under several heads, of the computed value of property robbed or stolen, and recovered; of the number of persons supposed to be concerned in the crimes committed; of the number convicted and acquitted before the Courts of Circuit and the magistrates, their assistants and law officers, and of the number of persons in confinement in the several gaols at the end of the year. The superintendent sends also occasionally special reports to government, and he corresponds, as circumstances may require, with the magistrates who are subject to his control.

These statements, however diligently compiled, are subject to errors from various causes. Crimes committed may have been concealed from the native police or from the magistrate, or they may have been misrepresented; the same sort of crime may have been arranged under one head by one officer, and another head by another; often it cannot be known whether crimes were committed as stated, till after a full investigation of circumstances, perhaps not till after trial of the accused.

From these documents the Tables (A.) (B.) and (C.) are taken. The others marked (D.) and (E.) which contain lists of crimes, with the number of persons convicted of such crimes, and those marked 1 to 9, which contain lists of persons punished, without any account of the crimes for which they were sentenced, are, with the exception of No. 3, and those connected with it, extracted from statements of the operation of the criminal courts which were furnished by the Nizamut Adawlut.

The following is an account of the contents of these Tables:

TABLES

In 307 acquittals by the judges of the Nizamut Adawlut, their sentences were in opposition to the judge of circuit in 231 cases, to the law officer of the Court of Circuit in 197, and to law officers of the Court of Circuit in 140.

There are 99 instances of acquittal by the judges of the Nizamut Adawlut, in opposition to the unanimous opinions of the other judicial authorities; but not one instance of conviction.

ABSTRACT OF THE ABOVE.

- Total Cases referred, 734. (*a*)
  - Opposed 325.
    - Convictions, 37.
      - Opposed by the judge of Circuit alone - - 7
      - Ditto - ditto - and law officer of ditto - - 2
      - Ditto - by law officer of Circuit alone - - 17
      - Ditto - by law officers of both courts - - 1
      - Ditto - by Nizamut Adawlut alone - - - 10
    - Acquittals, 288. (*b*)
      - Ditto - by judge of Circuit alone - - - 70
      - Ditto - ditto - and law officers of both courts - 99
      - Ditto - by judge and law officer of Circuit - 41
      - Ditto - ditto - and law officers of Nizamut Adawlut 21
      - Ditto - by law officer of Circuit alone - - 37
      - Ditto - ditto - and law officers of Nizamut Adawlut 20
  - Opposed in part, 78.
  - Not opposed, 331.
    - Convictions - 312
    - Acquittals - 19

(*a*) Cases are referred, either because there is a difference of opinion between the judge of circuit and his law officer as to the guilt of the accused, or because the accused having been convicted of murder by their concurrent opinions, is liable to a sentence of death, which can be passed by the Nizamut Adawlut only, or of perpetual imprisonment, which requires the confirmation of the same authority.

(*b*) The number of acquittals by the judges of the Nizamut Adawlut, against the opinion of the circuit judge, as to the guilt of the accused, seems great; but as the circuit judge merely gives an opinion, and has not the responsibility of the capital sentence, he probably refers many in which he has a strong impression of the prisoner's guilt, but doubts whether the evidence is sufficient to convict him.

IV.
JUDICIAL.

W. B. Bayley, Esq.
16 April 1832.

TABLES referring to Statements of Crimes reported.

(A.) Contains a list of the most heinous Crimes ascertained to have been committed in the Lower and Western Provinces of Bengal from 1818 to 1828; extracted from the periodical statements of the superintendents of police.

(B.) An Abstract of (A.), showing separately, 1st, the number of depredations with murder; 2d, those with wounding; 3d, those with open violence without personal injury; 4th, the number of murders; 5th, of homicides; 6th, of affrays attended with loss of life.

(C.) A Summary of (A.) and (B.), showing the Crimes as in (B.) committed in nine years, ending with 1826, and in the years 1827 and 1828; also yearly averages in the two periods, the crimes of the Lower Provinces being set down separately from those of the Western.

TABLES referring to the operation of the Criminal Courts.

Crimes. Convictions in lower courts. (D.) Contains a Statement of the Offences for which persons were convicted before the Courts of Circuit in the Lower and Western Provinces together, from 1816 to 1826, with a list of the persons convicted.

(E.) A similar statement referring to the courts of the magistrates for 1826 and 1827 for the Lower and Western Provinces separately.*

TABLES referring to the Number of Persons sentenced, and their Punishments.

No. 1. Contains a list of persons convicted before the Criminal Courts in Bengal in several years, viz. before the Nizamut Adawlut, from 1816 to 1827, before the Courts of Circuit, from 1816 to 1826, and before the Magistrates, from 1824 to 1827, with the punishments to which those persons were sentenced.

No. 2. List of persons sentenced to Imprisonment for above seven years (not for life); ditto, above one year, not above seven years; ditto, not above one year; abstracted from the Table, No. 1.

No. 3. Extract of statements ordered by the House of Commons to be printed, showing the number of persons sentenced to punishment in England and Wales for seven years, ending with 1828.

No. 4. Summary of No. 3, arranged so as to correspond in form nearly with No. 2.

No. 5. Summary showing the number of persons sentenced for four years, viz. by the Nizamut Adawlut, and by the Magistrates, from 1824 to 1827, and by the Courts of Circuit, from 1823 to 1826, taken from No. 1.

No. 6. Extract from No. 3, showing the sentences for the last four years, viz. from 1825 to 1828. These compared with No. 5.

No. 7. Yearly averages in the periods of four years, from No. 6, with the same in proportion to the supposed population of the two countries.

No. 8. List of sentences to Death and Transportation, or Imprisonment for life, from 1816 to 1828, for the Lower and Western Provinces, separately extracted from the statements of the Nizamut Adawlut.

No. 9. Summary for six years, ending with 1827, in Lower and Western Provinces, separately extracted from No. 8, with a corresponding summary for the same six years, extracted from No. 3; also yearly averages of these numbers, and the same in proportion to the supposed population of the Lower and Western Provinces, and England and Wales, respectively.

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* No statement can be given referring to the Courts of Circuit for the years 1827 and 1828, or for the Lower and Western Provinces separately; nor any corresponding to that of (E.) for other years besides 1826 and 1827. No similar statements can be given for the Nizamut Adawlut.

(A.)

NUMBER of HEINOUS CRIMES in the *Lower* and *Western* Provinces of *Bengal*, as reported by the Superintendents of Police, from 1818 to 1828.

	1818.	1819.	1820.	1821.	1822.	1823.	1824.	1825.	1826.	1827.	1828.
LOWER PROVINCES:											
Decoity with Murder - -	20	18	21	24	21	25	16	16	21	10	16
Ditto - Torture - -	7	17	29	12	7	16	11	11	12	10	10
Ditto - Wounding - -	41	67	53	34	40	32	39	38	44	37	41
Simple Decoity - - - -	134	212	141	141	105	118	117	89	105	121	100
River Decoity - - - -	15	25	18	16	19	12	19	Included in the above.			
Total Decoity - - -	217	339	262	227	192	203	201	154	182	178	167
With Murder:											
Highway Robbery - - -	3	9	9	12	7	5	8	13	10	6	13
Burglary - - - -	2	2	2	2	-	2	2	6	1	3	1
Cattle Stealing - - -	2	-	-	1	-	-	1	-	1	1	–
Theft - - - - -	2	5	18	13	28	22	23	22	25	30	16
With Wounding:											
Highway Robbery - - -	9	14	23	13	7	11	8	12	15	15	15
Burglary - - - -	10	8	14	9	6	13	21	11	17	14	18
Cattle Stealing - - -	-	1	1	-	1	1	-	1	2	-	1
Theft - - - - -	6	8	11	9	5	4	10	15	16	23	10
Without personal violence, property stolen exceeding 50 rupees;											
Highway Robbery - -	14	15	34	17	8	11	8	3	6	15	5
Burglary - - - -	657	692	659	607	686	686	646	596	586	564	505
Cattle Stealing - - -	21	53	62	44	41	57	80	75	76	98	63
Theft - - - - -	555	599	550	608	629	678	686	647	726	645	587
Wilful Murder - - - -	138	139	99	109	128	118	134	105	119	98	98
Homicide not amounting to Murder	50	74	75	90	89	86	72	131	100	126	122
Violent affrays, attended with loss of life, originating in disputes regarding boundaries or the possession of lands, crops, wells, &c.	23	12	11	24	18	35	44	13	12	8	16
Violent affrays, originating in causes distinct from those mentioned in the preceding column	22	4	1	4	7	1	-	8	9	11	12
WESTERN PROVINCES:											
Decoity with Murder - - -	8	18	10	14	20	12	19	11	12	20	12
Ditto, with Wounding or Torture	21	26	16	10	17	13	22	22	35	14	13
All other Decoities unattended with personal violence - -	14	26	20	15	16	22	28	18	37	14	20
Total Decoities - - -	43	70	46	39	53	47	69	51	84	48	45
Murder by Thugs - - -	10	10	18	9	27	21	18	19	58	38	23
With Murder: Highway Robbery - - - / Burglary - - - - / Cattle Stealing - - - / Theft - - - - -	56	77	105	89	65	101	97	94	132	95	83
With Wounding: Highway Robbery - - - / Burglary - - - - / Cattle Stealing - - - / Theft - - - - -	311	320	306	278	177	211	211	267	344	251	234
Without personal violence, property stolen exceeding 50 rupees: Highway Robbery - - / Burglary - - - - / Cattle Stealing - - - / Theft - - - - -	1,495	1,694	1,781	1,648	1,723	1,672	1,768	1,776	1,914	1,815	1,581
Wilful Murder - - - -	185	183	128	156	106	113	112	92	107	118	137
Homicide not amounting to Murder	61	88	88	92	93	119	102	101	108	86	97
Violent affrays, attended with loss of life, originating in disputes regarding boundaries or the possession of land, crops, wells, &c.	25	35	44	47	41	33	40	21	36	22	35
Violent affrays, originating in causes distinct from those mentioned in the preceding column	24	22	38	50	41	20	39	21	23	32	29

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(B.)

ABSTRACT of the Chief Parts of Table (A.

	LOWER PROVINCES.				WESTERN PROVINCES.			
	1818 and 1820.	1821 and 1823.	1824 and 1826.	1827 and 1828.	1818 and 1820.	1821 and 1823.	1824 and 1826.	1827 and 1828.
Depredations with Murder (*a*) - -	113	162	165	96	312	358	460	271
Ditto, with torture or wounding (*b*)	319	220	283	194	1,000	706	901	512
Ditto, with open violence, but without personal injury (*c*) - -	545	411	330	221	60	53	83	34
Murder without depredation (*d*) -	376	355	358	196	496	375	311	255
Homicide not amounting to Murder -	199	265	303	248	237	304	311	185
Affrays with loss of life - - -	73	89	86	47	188	232	180	118

(*a*) Including the crimes referred to in the preceding Table under the heads "Decoity with Murder," "Murder by Thugs," and "Highway Robbery," "Burglary," "Cattle Stealing," and "Theft with Murder." The head "Murder by Thugs," occurs in the Western Provinces only.

(*b*) Including "Decoity with Wounding," or "Torture," and "Highway Robbery, &c. with Wounding."

(*c*) Including "Simple Decoity," "River Decoity," and all other Decoities unattended with Personal Violence.

(*d*) "Wilful Murder."

The heads "Highway Robbery, Burglary, Cattle Stealing, and Theft without Personal Violence," are not referred to in this or in any of the following Tables. It is supposed that the accuracy of the Reports in regard to such offences cannot be relied on.

(C.)

TOTAL NUMBER and YEARLY AVERAGES of Table (B.), showing the NUMBER of OFFENCES in a Period of Nine Years, from 1818 to 1828; compared with those in the Years 1827 and 1828.

	LOWER PROVINCES.				WESTERN PROVINCES.			
	Total in 9 Years, ending with 1826.	Total in 1827 and 1828.	Yearly Averages. In 1st Period.	Yearly Averages. In 2d Period.	Total in 9 Years, ending with 1826.	Total in 1827 and 1828.	Yearly Averages. In 1st Period.	Yearly Averages. In 2d Period.
Depredations with Murder - -	440	96	$48\frac{8}{9}$	48	1,130	271	$125\frac{5}{9}$	$135\frac{1}{2}$
Ditto, with torture or wounding -	822	194	$91\frac{3}{9}$	97	2,607	512	$289\frac{6}{9}$	256
Ditto, with open violence, but without personal injury - - -	1,286	221	$142\frac{8}{9}$	$110\frac{1}{2}$	196	34	$21\frac{7}{9}$	17
Murder without depredation - -	1,089	196	121	98	1,182	255	$131\frac{3}{9}$	$127\frac{1}{2}$
Homicide not amounting to Murder -	767	248	$85\frac{2}{9}$	124	852	185	$94\frac{6}{9}$	$92\frac{1}{2}$
Affrays with loss of life - - -	248	47	$27\frac{5}{9}$	$23\frac{1}{2}$	600	118	$66\frac{6}{9}$	59

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(D.)

COMPARATIVE STATEMENT of SENTENCES for OFFENCES against PROPERTY and those against the PERSON, and other Crimes, passed by the Courts of Circuit in *Bengal*, from 1816 to 1826.

	NUMBER OF PERSONS SENTENCED.			
	1816 to 1818.	1819 to 1821.	1822 to 1824.	1825 to 1826.
OFFENCES AGAINST PROPERTY:				
Arson	35	65	66	47
Burglary	2,853	1,177	1,195	1,036
Cattle Stealing	203	19	85	31
Child Stealing	48	99	107	57
Counterfeiting and uttering counterfeit coin	14	33	47	21
Embezzlement	150	57	108	49
Forgery and uttering	27	55	71	60
Larceny	1,516	457	491	223
Robbery on the person on the highway and other places	50	117	213	637
Receiving stolen goods	374	223	380	173
Total	5,270	2,302	2,763	2,334
OFFENCES AGAINST THE PERSON:				
Adultery	95	40	51	20
Affray	1,861	1,692	1,917	1,136
Assault	157	164	212	174
Manslaughter	258	212	421	250
Rape	3	10	3	2
Shooting, wounding or poisoning with intent to kill	199	209	251	199
Sodomy	5	7	5	6
Total	2,578	2,334	2,860	1,778
VARIOUS OTHER OFFENCES:				
Felony and misdemeanor not otherwise described	376	146	189	107
Perjury	78	100	147	66
Total	454	246	336	173

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(E.)

COMPARATIVE STATEMENT of SENTENCES for OFFENCES against PROPERTY and those against the PERSON, and other Crimes, passed by the Magistrates in the *Lower* and *Western* Provinces of *Bengal*, in 1826 and 1827.

	Number of Persons sentenced.	
	Lower Provinces.	Western Provinces.
OFFENCES AGAINST PROPERTY:		
Arson	154	31
Burglary	2,433	1,995
Cattle Stealing	2,048	3,671
Frauds and other offences	6,161	3,302
Larceny	8,310	7,927
Plundering	768	97
Receiving stolen goods and harbouring thieves	431	909
Snatching from the person	1,077	1,391
Total	21,382	19,323
OFFENCES AGAINST THE PERSON:		
Affray	434	743
Assault and battery	6,535	3,965
Manslaughter	44	11
Riot	2,259	700
Total	9,272	5,419
VARIOUS OTHER OFFENCES:		
Bribery	289	70
Escape from custody	149	72
False complaint	1,728	652
Neglect of duty	10,332	6,652
Perjury	178	41
Resistance of process	1,010	533
Vagrancy	183	55
Total	13,869	8,077

— No. 1. —

BENGAL.

LIST OF PERSONS sentenced by the Criminal Courts in *Bengal* to DEATH, TRANSPORTATION, or IMPRISONMENT, from 1816 to 1827.

	1816.	1817.	1818.	1819.	1820.	1821.	1822.	1823.	1824.	1825.	1826.	1827.
By the Nizamut Adawut:												
To death - -	115	114	54	94	55	58	50	77	51	66	67	55
Transportation or Imprisonment for life -	282	268	261	345	324	278	165	118	145	128	171	153
Imprisonment above seven years - -	60	69	67	77	61	124	184	203	297	334	137	65
Ditto above one year, not above 7 years -	88	82	82	156	306	337	220	232	269	401	296	227
Ditto not above one year - -	39	33	20	27	26	7	18	24	56	50	28	25
By the Courts of Circuit:												
Imprisonment above seven years - -	290	507	308	94	40	21	33	13	161	208	214	—
Ditto above one year, not above 7 years -	1,363	1,755	1,961	1,001	1,285	1,354	1,206	1,414	2,118	1,524	1,665	—
Ditto not above one year - - -	621	560	828	374	418	295	323	255	379	330	324	—
By the Magistrates:												
Imprisonment above one year - -	- -	- -	- -	- -	- -	- -	- -	- -	3,747	3,675	4,075	4,141
Ditto not above one year - - -	- -	- -	- -	- -	- -	- -	- -	- -	24,266	24,976	18,229	16,575

Note.—The statements of the sentences of the Nizamut Adawlut refer to the years from 1816 to 1827; those of the Court of Circuit, from 1816 to 1826; and those of the Magistrates, to four years only, viz. from 1824 to 1827. Sentences of death and transportation, or imprisonment for life, are passed by the Nizamut Adawlut, exclusively; sentences of imprisonment for above seven years are passed by the Nizamut Adawlut, or by the Courts of Circuit (who have power to pass sentence to the extent of 14 years' imprisonment in certain cases); sentences to imprisonment above one year, and not above seven years, are passed by the Nizamut Adawlut, or the Courts of Circuit, or by the Magistrates (who are empowered to pass sentence of imprisonment as far as two years in certain cases); sentences to imprisonment not above one year are passed by the Nizamut Adawlut, the Courts of Circuit, or the Magistrates. In these Tables, the sentences by the Courts of Circuit to imprisonment for one year are included under the fourth head, not the fifth. In the documents from which the numbers are taken, such sentences are mixed up with those of imprisonment for two years, and cannot be separated. The statements of the sentences of the Nizamut Adawlut are in great detail, without any abstract, and they are incorrect and imperfect in many places; but the errors on this account, or from the irregularity above noticed, are not of a nature materially to affect the general results which the Tables are intended to show.

— No. 2. —

LIST OF PERSONS sentenced to TEMPORARY IMPRISONMENT, arranged according to the Sentences; extracted from Table 1.

	1816.	1817.	1818.	1819.	1820.	1821.	1822.	1823.	1824.	1825.	1826.	1827.
Imprisonment above 7 years:												
By Nizamut Adawlut	60	69	67	77	61	124	184	203	297	334	137	65
By Courts of Circuit	290	507	308	94	40	21	33	13	161	208	214	wanting
Imprisonment above one year, not above 7 years:												
By Nizamut Adawlut	88	82	82	156	306	337	220	232	269	401	296	227
By Courts of Circuit	1,363	1,755	1,961	1,001	1,285	1,354	1,206	1,414	2,118	1,524	1,665	wanting
By Magistrates -	- -	wanting	- -	- -	- -	wanting	- -	- -	3,747	3,675	4,075	4,141
Imprisonment not above one year:												
By Nizamut Adawlut	39	33	20	27	26	7	18	24	56	50	28	25
By Courts of Circuit	621	560	828	374	418	295	323	255	379	330	324	wanting
By Magistrates -	- -	wanting	- -	- -	- -	wanting	- -	- -	24,266	22,976	18,229	16,573

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— No. 3. —

ENGLAND AND WALES.

EXTRACT from the STATEMENTS ordered by the House of Commons to be printed, 23d February 1829; showing the Number of Persons in *England* and *Wales* sentenced to DEATH, TRANSPORTATION or IMPRISONMENT, in 7 Years, from 1822 to 1828.

SENTENCES.	1822.	1823.	1824.	1825.	1826.	1827.	1828.	TOTAL.
Death * - - - - -	1,016	968	1,066	1,036	1,203	1,526	1,165	7,980
Transportation for life - -	132	116	117	126	133	198	317	1,139
Ditto - 28 years - -	-	-	-	-	-	1	1	2
Ditto - 21 ditto - -	-	-	-	-	-	1	-	1
Ditto - 14 ditto - -	84	78	107	129	185	293	508	1,384
Ditto - 10 ditto - -	-	-	-	-	-	-	1	1
Ditto - 7 ditto - -	1,316	1,327	1,491	1,419	1,945	2,032	2,046	11,776
Ditto - 4 ditto - -	–	–	–	–	–	–	–	–
Imprisonment - 5 years - -	2	-	-	-	-	1	-	3
Ditto - - 4 years - -	-	-	-	-	-	-	1	1
Ditto - - 3 years - -	11	11	11	7	11	11	11	73
Ditto, 2 years and above 1 year	376	324	339	365	297	296	243	2,240
Ditto, 1 year and not above 6 months - -	1,129	1,074	1,218	1,193	1,204	1,433	1,117	8,368
Ditto - 6 months and under	3,899	4,040	4,861	5,408	5,819	6,251	5,991	36,269
* Of whom were executed - -	97	54	49	50	57	70	79	456

— No. 4. —

ENGLAND AND WALES.

SUMMARY of the NUMBERS in Table 3, arranged under Heads, to correspond nearly with those of Tables of 1 and 2.

SENTENCES.	1822.	1823.	1824.	1825.	1826.	1827.	1828.	TOTAL.
Death * - - - - -	1,016	968	1,066	1,036	1,203	1,526	1,165	7,980
Transportation for life - -	132	116	117	126	133	198	17	1,139
Transportation for above 7 years -	84	78	107	129	185	293	509	1,385
Transportation or Imprisonment above 1 year, not above 7 years	1,705	1,662	1,842	1,791	2,253	2,540	2,301	14,094
Imprisonment not above 1 year -	5,028	5,114	6,078	6,601	7,023	7,684	7,108	44,637
* Of whom were executed - -	97	54	49	50	57	70	79	456

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— No. 5. —

BENGAL.

SUMMARY of the NUMBERS of Table 1, for Four Years; viz. of those referring to the Nizamut Adawlut and the Magistrates, from 1824 to 1827; and of those referring to the Courts of Circuit, from 1823 to 1826.

SENTENCES.	1823.	1824.	1825.	1826.	1827.	TOTAL of 4 Years.
Death - - - - - - -	-	51	66	67	55	239
Transportation or Imprisonment for life - - - - - - -	-	145	128	171	153	597
Imprisonment above 7 years:						
By Nizamut Adawlut - - -	-	297	334	137	65	1,429
Courts of Circuit - - - -	13	161	208	214	- -	
Imprisonment above 1 year, not above 7 years:						
By Nizamut Adawlut - - -	-	269	401	296	227	23,552
Courts of Circuit - - - -	1,414	2,118	1,524	1,665	- -	
Magistrates - - - - -	-	3,747	3,675	4,075	4,141	
Imprisonment not above 1 year:						
By Nizamut Adawlut - - -	-	56	50	28	25	83,491
Courts of Circuit - - - -	255	379	330	324	- -	
Magistrates - - - - -	-	24,266	22,976	18,229	16,573	

— No. 6. —

ENGLAND AND WALES, AND BENGAL.

TOTAL of the NUMBERS in Table 3, for Four Years (from 1825 to 1828); and of those in Table 5, for Four Years (from 1823 to 1826, and 1824 to 1827), compared.

SENTENCES.	England and Wales.	Bengal Provinces.
Death - - - - - - - -	4,930 *	(a) 239
Transportation for life, or Imprisonment for life - - - - - - - - -	774	597
Transportation or Imprisonment for above 7 years - - - - - - - -	1,116	1,429
Ditto - above 1 year, not above 7 years -	8,885	23,552
Imprisonment, not above 1 year - - -	28,416	83,491
* Of whom were executed - - - -	256	(a) 239

(a) It is supposed that in Bengal all who were sentenced to death were executed; probably almost all were executed.

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— No. 7. —

ENGLAND AND WALES, AND BENGAL.

YEARLY AVERAGES of the NUMBERS in Table 6, and the same in proportion to the Population of the two Countries, supposing (*a*) *England* and *Wales* to contain 13 Millions of Inhabitants, and the *Bengal* Provinces 60 Millions.

SENTENCES.	Yearly Averages.		Proportion of the Yearly Averages to the Population.	
	England and Wales. (*b*)	Bengal Provinces.	England and Wales. (*b*)	Bengal Provinces.
Death * - - - -	1,232 $\frac{3}{4}$	59 $\frac{3}{4}$	1 in 10,547	1 in 1,004,182
Transportation or Imprisonment for life - - -	193 $\frac{2}{7}$	149 $\frac{1}{4}$	1 in 67,173	1 in 402,010
Transportation or Imprisonment above 7 years - -	279 $\frac{3}{4}$	357 $\frac{1}{4}$	1 in 43,610	1 in 167,669
Ditto - above 1 year, not above 7 years - - -	2,221 $\frac{1}{4}$	5,589 $\frac{3}{4}$	1 in 5,852	1 in 107,35
Imprisonment not above 1 year	7,104	20,872 $\frac{3}{4}$	1 in 1,829	1 in 2,880
* Of whom were executed -	64	59 $\frac{3}{4}$	1 in 203,281	1 in 1,004,184

(*a*) The population of England and Wales is set down at 13,000,000, on the ground of the last Census. There has never been any Census of the Bengal Provinces.
For an estimated account of their population, *see* Note, Table 9.

(*b*) The numbers for Ireland corresponding with those of Table 6 and 7, were as follows: the population, according to the Census of 1821, being taken at 7,000,000.

	Total in 7 Years, ending with 1828.	Yearly Average.	Yearly Average in proportion to Population.
Sentenced to Death * - - - - -	1,896	270 $\frac{6}{7}$	1 in 25,840
Transportation for life - - - - -	388	55 $\frac{3}{7}$	1 in 126,289
Ditto - above 7 years - - - -	567	81	1 in 86,419
Ditto - and Imprisonment above 1 year, not above 7 years - - - - -	5,761	823	1 in 8,505
Imprisonment not above 1 year - - -	50,945	7,279 $\frac{2}{7}$	1 in 961
* Of whom were executed - - - -	332	47 $\frac{3}{7}$	1 in 147,593

In the seven years there were accused of murder 2,604 persons, of whom 224 were sentenced to death, and 155 executed (*aa*).

In France in 1829 there was 89 persons sentenced to death, and 273 to hard labour for life. These numbers are as 1 in 337,078, and 1 in 109,813 respectively in a population of 30,000,000. One thousand and thirty-three were sentenced to temporary hard labour, and 1,222 to imprisonment (reclusion), or 1 in 29,041, and 1 in 24,549 of the population (*bb*). In other countries the number of crimes and criminals appear to be much greater in proportion to the population.

In seven provinces under the Austrian government, the population of which is stated to amount to 14,436,000, it appears from a statistical table, that in two years (viz. 1819 and 1823) the number of homicides brought to trial amounted to 1,032, the yearly average of which (516) is 1 in 27,976 of the population. In one of the provinces, Dalmatia, the population of which is stated to be 318,000, the number of trials for homicide in 1823 is set down at 179; for robbery, 489; for burning, 200; for wounding and maiming, 304 (*c*).

In Spain the state of crime is described in the following account, which has been published in this country as an extract from the Madrid Gazette.

(*aa*) Parliamentary Return, ordered by the House of Commons to be printed, 10th May 1829.
(*bb*) Extract from the Report of the Minister of Justice for 1829, Courier Français, 3d Feb. 1813.
(*c*) Extracts from Statistical Tables, Times, 14th January 1830.

W. B. Bayley, Esq.
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STATEMENT of Offences which have formed the subject of Judicial Proceedings in Spain during the Year 1826.

Homicides	1,233
Infanticides	13
Cases of Poisoning	5
Anthropophagus	1
Suicides	16
Duels	4
Dangerous Wounds, by cutting, maiming, &c.	1,773
Rapes	52
Cases of Public Incontinence	144
Slanders	369
Blasphemies	27
Incendiaries	56
Thefts	1,620
Cases of Coining	10
Forgeries	43
Breaches of Trust	660
Prevarications	10
Excesses of various kinds	2,782 (*a*)

Of the persons charged with these offences, 167, or 1 in 83,772 of the supposed population were sentenced to death, and 12,578 to other punishments. The population of Spain is said to be about 14,000,000.

(*a*) Jurist, No. 4.

— No. 8. —

BENGAL:—LOWER AND WESTERN PROVINCES.

SENTENCES to Death, or to Transportation or Imprisonment for Life in the *Lower* and *Western* Provinces of *Bengal*, compared.

	1816.	1817.	1818.	1819.	1820.	1821.	1822.	1823.	1824.	1825.	1826.	1827.
Death:												
Lower Provinces	64	57	24	42	25	22	20	42	31	26	26	22
Western Provinces	51	57	30	52	30	36	30	35	20	40	41	32
Transportation or Imprisonment for Life:												
Lower Provinces	213	214	158	240	224	189	103	56	89	51	70	96
Western Provinces	69	54	103	105	100	89	62	62	56	77	101	57

— No. 9. —

ENGLAND AND WALES:—BENGAL, LOWER AND WESTERN PROVINCES.

SENTENCES to DEATH, and TRANSPORTATION or IMPRISONMENT for LIFE in Six Years, ending 1827; and EXECUTIONS in the same Period in *England* and *Wales*, and in the *Lower* Provinces and *Western* Provinces of *Bengal*, compared: Also, the YEARLY AVERAGES, and the same in proportion to the Population, supposing the *Lower* Provinces of *Bengal* to contain Forty Millions, and the *Western* Twenty Millions of Inhabitants.

	Total Sentences and Executions from 1822 to 1827.			Yearly Averages.			Ditto in proportion to the Population.		
	England and Wales.	Lower Provinces.	Western Provinces.	England and Wales.	Lower Provinces.	Western Provinces.	England and Wales.	Lower Provinces.	Western Provinces.
Death - - - -	6,815	168	198	1,135 $\frac{5}{6}$	28	33	1 in 11,445	1 in 1,428,571	1 in 606,060
Transportation or Imprisonment for life -	822	465	415	120 $\frac{2}{6}$	77 $\frac{3}{6}$	69 $\frac{1}{6}$	1 in 108,033	1 in 516,129	1 in 289,159
Executions - - -	377	168	198	62 $\frac{5}{6}$	28	33	1 in 206,897	1 in 1,428,571	1 in 606,060

Martis, 17° *die Aprilis*, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

Thomas Fortescue, Esq., called in; and further Examined.

IV. JUDICIAL.

Thomas Fortescue, Esq.

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935. HOW long is it since you returned from India?—I returned in 1821.

936. Did you while you were in India reside much in or near Calcutta?—I resided in Cuttack as Secretary to the Commission appointed for arranging the civil affairs of it after the conquest. I have been also officiating Collector of the district of Midnapore in Orissa, officiating Collector of the district of Dacca, and officiating Collector of the district of Moorshedebad in Bengal.

937. Have you frequently visited Calcutta itself?—Yes, very frequently; and I was there as Secretary to Government in the Territorial department for a short time.

938. While you were in India did you observe a great approximation in the natives at the presidency to the habits or modes of thinking of Europeans?—A good deal, certainly. The number of Europeans, and the establishment of His Majesty's Court, led them much to a knowledge of the character and bearing of the laws of the Europeans.

939. Before you left India were there any institutions for the education of the natives established by government?—They were commencing.

940. According to your information, has not a considerable effect been produced by those institutions since that time?—As far as I can learn there has.

941. Are you aware also that since that time there has been an increased employment of natives in the administration of justice, or otherwise in the administration of public affairs?—I have been informed so.

942. What would be your general idea of the expediency and practicability of gradually increasing the degree in which they are employed in such ways?—I think, both in justice to them in their own country, and in point of talent, they ought to be more employed, particularly being so well qualified for almost all the duties of the different situations connected with the administration of the country; I have had a good deal to do with them myself in that way.

943. How far have you had opportunities yourself of seeing them employed in the

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the administration of public affairs?—In the different situations I have held in India, I have particularly attended to their mode of conducting the business entrusted to them, and have most frequently found them extremely capable, particularly when confidence and salary have been fair and liberal; their conduct too has been very satisfactory to the natives. In general, when they have misconducted themselves, it has been greatly owing to the want of consistent conduct towards them.

944. Do you mean to say that if they received a liberal remuneration, they would not be tempted to those deviations from duty to which in many cases they are liable; such as the pursuit of irregular gains, or the indulgence of partialities or corruption?—I think they would not; I have had means of observing them in situations where their authorized emoluments have been below what it is possible to conceive could induce a man to labour, and in which the temptations to unlawful gain might scarcely be, in consequence, one would say, to be resisted. I could mention several instances, in the course of my experience, where the average of the net fees of native commissioners was but 10 rupees a month, yet they were employed every day in the week from morning till night. I noticed also that that small pittance was not paid to them till months after it became due; and with respect to the vakeels officiating under them, their net income too has not exceeded four rupees a month: and moreover, it should be remembered, that there are instances, under the Regulations in which the native commissioners and their officers are subject to much official labour and expense, and yet receive no remuneration at all, or but a most disproportionate one; for example, in pauper suits they get nothing; in other cases, when a compromise or razeenama is tendered *before* the pleadings are completed, they get nothing; if it is tendered at any time *after* perusal of the record, they are entitled but to half their ordinary commission: again, in cases nonsuited they get nothing; further, a vast detail and trouble is imposed upon them in respect of distraints and bringing property to sale, yet if nothing is sold they get nothing. It is obvious that all this is unfair, when the commissions are paid, not by fixed salaries, but by their fees, and that all their establishments, pens, ink and paper, &c. are defrayed at their own cost; and equally obvious that their duty and interest clash. These duties relate to the agricultural community; yet the Regulations for the benefit of this class, which authorize the employment of the native commissions in the interior, were at times not acted upon, and in some instances certain Regulations were not to be found in the district office.

945. By whose neglect had that taken place; who had the charge of those?—I cannot particularly say; the ordinary course is for the government to send up the Regulations, when a certain form of promulgation takes place, after which the enactments are deposited amongst the records.

946. As far as you have observed, under a proper system the employment of them might be very considerably extended, only proceeding gradually and with prudence?—I consider their capacity for investigation in India to be, I would say, superior to our own; I have often associated them with me, both in the investigation of civil and criminal matters, and have derived the greatest assistance from their quick penetration and knowledge of the character of those whom I had to deal with.

947. Do you speak of Hindoos or Mahomedans?—Of both Hindoos and Mahomedans, and those principally attached to my office; I make no distinction between them.

948. Should you however say that there was a want of regard for character among them, in comparison with Europeans?—Their loss of character is certainly much more common, and they have not those high principles which European officers have; but it is greatly to be accounted for in the subaltern offices they hold, to the paltry allowance they receive, to the strong temptations thrown in their way, and the consequent distrust manifested in general towards them.

949. You think that a regard to character might be created by proper measures?—I have no doubt of it; for I have known them in the interior of the country acting greatly upon their own responsibility, and to the entire satisfaction of the neighbourhood. I have myself often deputed them for special purposes, as a kind of local commission, and they have performed the duty to content me and gratify the people; they have brought litigated points to a quick and final close, which but for their aid would have harassed the zillah (or European's) court for an indefinite period.

950. Do you ascribe the advantage that they have over Europeans in the investigation

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tigation of difficult points, to their much better acquaintance with the habits and manners and feelings of their own countrymen?—Certainly; for when I have been sitting with them rather as an arbitrator than judge, and they have discussed matters in the form of punchayet, I have observed the mode of questioning and the attention they paid to gesture and manner to be more particular than would probably have occurred to an European, yet more suited to the character of those examined by them, and better to elicit the truth; the subject of dispute has in consequence been settled satisfactorily, and with a quickness of repartee that I was quite unable to follow. Besides, in taking evidence they often interrogate so as to get at truth through aid of prejudices; for they will consider caste, rank in life, being single or married, &c., and so frame their questions as to call down the worst of consequences upon children and relations if falsehood be spoken. Such points have astonishing influence with the natives, though often but little attended to by us.

951. Should you think that they are as yet ripe to act in judicial situations, except under the superintendence and perhaps the strict supervision of Europeans, and subject also to an appeal to some European tribunal?—I think so great a transition at once from what their situation was when I resided in India, would not be advisable, but gradually they would become so. They are exceedingly quick in acquiring knowledge, and very desirous of it when it meets the approbation of those whose good opinions they solicit.

952. Have you considered how far they could be invested with the functions of police, at least in the presidencies; as for example, of justices of the peace?—I think they are perfectly competent to such duties, and might be entrusted with them; it is an opinion which I submitted during my residence in India to the government, suggesting that they might be entrusted with petty criminal jurisdiction, and empowered to inflict punishment by fine, or by imprisonment, or by stripes, according to the circumstances of the case.

953. Would it be proper to employ them in the presidencies in those duties which are understood to belong to magistrates in this country, namely, that of committing persons for trial before the courts?—I think perfectly so; for as officers employed under the magistrate in preparing commitments, they have, I may say, often performed the whole of the detail; their judgment is sufficiently good: but I should say that they ought not for the present to have cognizance of cases in which Europeans are concerned. Amongst themselves they might act, but not where an European was either the complainant or the person aggrieved; for they have so great a deference for their character generally, and often in such awe of them, that they might be induced by lenity or apprehension to swerve from an equitable decision.

954. Does that awe and deference proceed mainly from their having to do with officers either civil or military employed by the government?—I think their feeling towards an European is such, and their manner too so disposed to court them, that I should be apprehensive they might favour the Europeans to the prejudice of their own countrymen.

955. The Committee has been informed that zemindars and other natives of power have such influence as to render it unlikely that persons in such a situation would act impartially in cases arising between natives; does your opinion coincide with that which has been given to the Committee?—Neither my experience nor my opinion coincide with that notion. I am satisfied that if they were liberally paid and a fair confidence shown towards them, they would maintain their situation with great credit to themselves and impartiality to the community. I am of opinion that the distance constantly subsisting between the European officers of government and the native judicial officers is such as not to give satisfaction or confidence to the natives; further, that when they do well it is not generally known perhaps, nor noticed to them in terms of encouraging approbation, and that when they do ill they are censured without sufficiently liberal construction of their motives and the merits of the complaint against them; and that there is not such easy intercourse to discuss points of general duty as to enable them to receive instruction from the European officer. The native I have always found anxious to pick up whatever was useful for his proper and official conduct. All this is often owing to the want of time on the part of the European; and this want of time proceeds from an injudicious division of the aggregate duties of the whole country amongst the officers of the government, and not calling in the aid sufficiently of the Indian community. A great deal of trifling matter is obliged to be brought before

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before the European, which could with superior advantage be originally disposed of by the native.

956. Are the native judicial officers allowed to sit in the private apartments of the European functionary?—Yes, most frequently; I ever found them, when a new regulation appeared, glad to come to me and talk it over.

957. Is that a usual practice?—I do not believe it to be very general.

958. On the supposition that by any change in the system of intercourse with India, the number of Europeans settled or resident in the interior of the country were considerably augmented, do you think that any and what changes would be requisite or expedient in the system of the judicial administration, as conducted by the Company's courts?—With reference to their being enabled to purchase lands and become proprietors, I think a great *desideratum*, amongst many others, is the unsettled state of property in India with respect to the ryots' rights, which it should be a primary object to adjust. A very great change would be requisite in the judicial system were Europeans to be numerous: it would have to be determined whether the present existing Mahomedan law, as modified by our regulations, should remain, or whether the English law be more generally administered; and in either case it would be necessary, I presume, to have the establishments augmented by European functionaries subordinate to the judge and magistrate. The ordinary gaols are not suited for European constitutions, and must be considerably and suitably enlarged. The subject however is so wide and embraces so much, that it is not possible in a short reply to allude to its great details.

959. When you speak of the necessity of the gaols being very much enlarged, do you not contemplate a very considerable resort of the lower class of Europeans to them?—No, not so much as to that, as to their being comfortable, because our gaols are at present such as would render it death probably for an European to be confined in them: the processes to be served must be by Europeans, for violent offenders would not be manageable by the native officers.

960. If they were subject to one general law, and that law administered partly by the medium of the natives, why should not the native power be able to master a single individual?—Occasions for such interference, when they have occurred in India, have generally been very disgraceful to the European character; and the natives are so disposed to cover the misconduct of Europeans on the one hand, and so afraid of them on the other, that I apprehend there would be a very great difficulty, though it might be overcome.

961. What are the species of outrages committed by Europeans to which you especially refer?—Great contempts of court, if there were but one European judge; there is no community, no publicity, no public out of court to appreciate what is done in it: an European in his own language might be extremely offensive, and make it very difficult for the judicial officer to conduct a case before him with decorum.

962. Are you aware of many cases of the description to which you have alluded which have occurred?—No, I am not; but I can well imagine such to occur, from what I have understood to have happened, upon such characters as I contemplate coming into court.

963. Were the Europeans, with respect to whom you have alluded, heretofore chiefly officers either civil or military in the employ of government?—No; I allude chiefly to persons out of the service.

964. Are there many, except the indigo planters residing in the interior of the country, out of the service of the Company?—No; there are sometimes low subordinate Europeans, but not many; they have got to India by working their passage out or abandoning their ships; persons of that kind have often acted very offensively against the natives. The persons I allude to would be perhaps few, but they would be very mischievous.

965. In what capacity were those whom you have known employed?—They were generally assistants under some head person either managing the indigo manufacture or some other manufacture.

966. What other species of manufacture?—Besides indigo, collecting in cotton or sugar. I am alluding rather to what might be from an increase of Europeans than what has been, because the law has hitherto been such as to render Europeans very cautious how they subject themselves to removal. There is, I believe, a strong opinion in the Indian service in favour of the introduction of Europeans, but it is to be considered whether the improvements in India shall be based upon its institutions, or sought for through our own. I think the natives of India are

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entitled to have their interests favoured in preference to those of this country. I look to the further introduction of Europeans, and the other arrangements that are going on, as tending ultimately to the abolition of the present laws of India, their language and religion too. There is no doubt that the intelligence of the Europeans and their skilful application of capital will very much improve the country at large, and in respect of cultivation and population, but I have great doubts whether the result of all such improvements will not be vastly on the side of our own country.

967. When you say that you believe there is a general idea that it would be advantageous to have an increased number of Europeans in the country, do you suppose that the opinion is in favour of Europeans who should enter for the purposes of settlement, or of carrying on some commercial or agricultural pursuit in the country, or do you suppose that the opinion is in favour of an unrestricted entrance of Europeans of all classes?—The opinion that I alluded to has reference to Europeans going to and residing in India for the purpose of commerce.

968. Supposing the resort of Europeans in future to be very limited in point of number, and to consist mainly of individuals either possessed of capital or of very superior skill, should you then imagine that it would be necessary to make the great alterations in the present system of India to which you have previously already adverted?—The alteration would depend necessarily very much on the number of Europeans; but what I mean to say is, that in cases coming before the courts it must be determined by what law they shall be adjudged, and also in case of punishment, what is to become of the individual.

969. Do you not conceive that, taking the present regulations, and the laws at present enforced, both criminal and civil, throughout the provinces of India, a code might be framed applicable to Europeans as well as natives residing within them?—I think, without any great difficulty: as to the Mahomedan criminal law, it is a mere name at present; and as far as the civil laws go, they would of course be allowed to operate between the Hindoos and Mahomedans.

970. Supposing, then, such a code to be framed, would not that remove much of your objection to the settlement of Europeans in India, in so far as the judicial system goes?—Certainly. I would still advert to the administration of those laws when so modified.

971. Do you conceive that the laws being so modified, and the native judges being sufficiently remunerated for their trouble, and being treated with the respect due to their station, there would be any difficulty in their administration arising from the settlement of Europeans among them?—I think at first there might be, but as they gradually became familiarized with their duty, and felt themselves upheld in the responsibility they undertook, they would execute the laws well. They would themselves however have at present, I think, objections to administer the laws between natives and Europeans.

972. Do you not contemplate that the settlement of Europeans in India, with their knowledge of the language and of the habits and of the manners of the people, acquired by their intercourse with them, would enable you to select from amongst those settlers individuals capable of acting as magistrates, and in some instances of filling with benefit judicial situations which might become vacant?—That must depend a good deal upon their capacity and intelligence in those various points. I have certainly seen individuals, out of the service, whose character and knowledge perfectly qualified them for such duty; but it must entirely depend upon that.

973. Would they not have the means of acquiring a knowledge of the feelings and manners and habits of the people, as well as of their language, very far superior to those which are now possessed by the European functionaries in India?—By no means. I should say their intercourse is comparatively very much limited; because, in the first place, they do not move like our officers all over the country: there is the greatest contrast in its different parts; yet such does not prove any fallacy, though indispensable, I would add, for forming anything like a just opinion on the customs, habits, &c. of India.

974. Supposing an individual to manage, for instance, a commercial concern, would it not be necessary for him to mix with much greater intimacy with the natives, than it would for a public functionary of government residing in the country?—Not more than a collector, for instance, does in general; he would be in immediate intercourse certainly with the people much more than the judicial officer usually is, but not more than the revenue officers or custom officers; besides, his

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his duty would be to attend to his own business, more than to seek to attain to knowledge qualifying him for a foreign station.

975. Would not he be prompted very much more by his own private interest to acquire a knowledge of the manners and habits of the people, than the public functionary would?—Merely to enable him to conduct his commercial affairs with success, his knowledge would be very limited. I have known individuals who conducted business, and yet could scarcely speak the language. There are however others, on the other hand, out of the service, whose knowledge of languages and manners has been very superior.

976. Do you not conceive that the children of the country, born and educated in the country, would have a far greater knowledge of the manners and habits and language of the people than persons sent out of this country?—I do not think they would, judging from what I have observed: they are generally disliked and despised both by natives and Europeans, though their knowledge of the language is often very good; they are not in easy intercourse with either the native or European.

977. Are they not also looked down upon by the government?—Yes, but I know not how it could be otherwise.

978. And is not their condition one of considerable hardship?—It is; it seems to be a great difficulty, and I believe the government acknowledge it to be such, to determine what course to pursue with respect to them. The natives would, I have no doubt, be much dissatisfied to see those persons preferred, and placed over them.

979. So far as you have observed of the intercourse between European residents not in the service and natives, should you say that their treatment of the natives was decidedly different from the treatment of the natives by the Company's servants in public situations?—Yes, I should think so, from the circumstance of one having authority, that is the Company's officer, and the other having always to deal in a fictitious name with them; he could never appear openly as having any right to deal with them in matters of commerce; he was not allowed to hold land.

980. So far as that cause operates, if the law gave them a legal right in the country, would the inducement be removed which now operates upon them to treat the natives with more respect?—That would greatly depend upon their own characters; one must always recollect that their object would be their commercial pursuits, their gain, in short, and that it must mainly depend upon their internal feelings whether they would or would not abuse authority given to them. With respect to the Europeans in some parts of the country where I have been, I must say that I should have every confidence in their conducting themselves well, had they possessed the power which it is now proposed to give them, that is, authority to hold lands and to act openly.

981. Do you not conceive that the Europeans now residing in the provinces, and whose business requires that they should hold or occupy lands, are placed in a very false position as arising from their being prevented from holding and occupying land in their own names?—It is so; at the same time it has had the good effect of making them cautious how they encouraged or permitted disturbance in matters connected with their own mercantile pursuits, while the state of the laws and local courts rendered this extremely necessary.

982. Have Europeans the same means of preventing disturbances on the part of their native servants, when in truth they hold their lands in the names of those native servants?—No; because if they appeal to the courts it would be difficult for them to establish that power over their agents which their private arrangements have given them. Their agents are the ostensible holders of the land which they (the Europeans) have the benefit of; and if disputes arise between them and their agents, who are in truth but agents, still they cannot bring that forward, it could not be supported.

983. Are the outrages that may have been committed either by or in the name of Europeans, in some degree attributable to the tardy and imperfect administration of justice by the civil courts in the provinces?—The courts certainly are so crowded and the business so much in arrear generally, that it has often happened, when there appeared no prospect of the decision of a civil suit being obtained within convenient time, that the European and his agents have taken the law into their own hands; but such occurrences could be readily provided against, by having natives, such as commissioners or ameens, dispersed through the country, when all such matters would be speedily settled.

984. Do you conceive that there is a good deal of venality among the native officers

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officers of the courts?—I do not think that there is generally, though at the same time I have no doubt that it does exist, its degree depending greatly upon the European officer's vigilance; but I account for it, and might even say apologize for it, in their very inconsiderable pay and hard work.

985. You have said, that you thought that a general code might be formed for the population of India of all descriptions; do you think that in place of having supreme courts at the presidencies, with one species of jurisdiction, and totally independent courts in the country, with another species of jurisdiction, it would be possible to frame a common system of judicature, to be acted upon in all the courts, both at the presidencies and throughout the whole country?—I should think it a matter of no great difficulty; it would imply a revision of the whole of the law, which I conceive would be easy. As for the criminal part, it would be extremely simple, and with respect to the civil, it would be done without embarrassment.

986. Do not you think that an adoption of any change of that kind would be facilitated by having a standing legislative body at the presidency, who might frame laws adapted to the occasions that might arise?—I think that a council formed of the government, and such individuals as compose the supreme court of judicature in Bengal, would be competent to form a code of laws well suited to the administration of justice in all its branches; but I should think that the Governor-general should always have a casting voice in every matter, to prevent the serious consequences which collision among themselves, or delay by reference to this country, might occasion.

987. You have stated that the courts are clogged with business; will you mention what is the description of causes that appears most to impede the discharge of business in those courts?—With reference to the period when I left India, the business of the courts was clogged chiefly by two causes, namely, various petty details that could as well be performed by natives, and summary suits for small amounts, which were first cognizable of necessity in the zillah court, then referred to the collector for report, and again brought before the judge for final decision when that report was received. The decision was after all but a summary one, and a regular suit was at the option of the party dissatisfied afterwards. The number of those suits was often so great and pressing as to induce the judge to devote his time to them; in consequence of which suits of greater interest and amount to other classes of the community were wholly neglected, and breaches of the peace often occurred in consequence; whereas had such suits been in the first instance rendered cognizable by the native commissioners in the interior as regular suits, they would have been decided earlier and more satisfactorily, and without waste of time to the judge. I remember, in a district of which I had assumed charge, and which may be taken as not an unfair sample of others very generally, there were on the file about 350 summary suits, some of four years' standing; these I suggested to the parties to withdraw and institute as regular suits before the native commissioners, where they were decided in a very short period: I found, moreover, that those which remained on my file were the worst, and as such best suited to a hasty superficial inquiry, which is the character of summary suits.

988. Was there at that time a considerable delay in bringing the cases of a more important nature to trial?—There was very great delay, and chiefly owing to the causes I have hinted; other causes also there were, as miscellaneous proceedings, which might have been equally well performed by natives, but the system of the courts and the regulations precluded the judge from relieving himself of most of this tiresome and lengthened detail.

Alexander Duncan Campbell, Esq. called in; and Examined.

Alex. D. Campbell, Esq.

989. WILL you state in what presidency you have served in India?—Under the Madras presidency.

990. State what judicial situations you have filled?—In 1818 I officiated for several months as Chief Magistrate at Madras, when I had charge of the police. I was also twice appointed a Judge of Circuit and Appeal in the provincial court for the centre division, once on the 9th March 1824, and subsequently on the 17th of June 1828; and when I left Madras, in February 1831, I held the situation of Registrar to the courts of Sudder Dewanny and Foujdarry Adawlut, or Company's supreme court at the presidency, at the period when it was proposed to abolish the Mussulman criminal law, and to raise materially the jurisdiction of the various native

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native judicatures under the Madras government, both in the civil and criminal departments.

991. Are you acquainted with two letters, of which copies are now on the table, from the Madras government, in the judicial department, to the Court of Directors, dated respectively the 27th of April 1827, and the 2d of November 1830?—I am.

992. Will you state the nature of those letters?—The first-mentioned letter refers principally to the proceedings of the Madras government antecedent to the establishment of assistant judges, in the civil and criminal departments, at the Madras presidency. The last-mentioned letter contains the most recent modifications suggested at Madras, in the judicial system, consequent on the report of the finance committee in Bengal, regarding the expediency of reducing the expenses of the judicial department at the Madras presidency: it proposes the total abolition of the Mussulman criminal law, the raising materially the civil jurisdiction of all the native judicatures, the appointment of native judges, with the full powers, both civil and criminal, vested in the zillah and criminal judges of our European courts, and a modified employment of the junior civil servants on their entrance into the judicial department; it also involves the abolition of the whole of the courts of circuit, and the establishment of seven commissioners to conduct not only the circuit duties, but to control both the European and native subordinate judicial tribunals, and also the police department under the magistrates of the provinces; and it is accompanied by a statement of the saving of expense likely to result from the proposed modifications: it also suggests the abolition of the existing mode of remunerating the native judicatures denominated *district moonsiffs*, at Madras, and a new mode of remunerating them for their services.

993. Do you know how far any of the suggestions contained in the latest of those letters have been or are in the course of being carried into effect?—I have in my possession drafts of the regulations, made by myself before leaving Madras, for carrying into effect the whole of the above-mentioned suggestions in the criminal department, marked from (A.) to (E.) Similar regulations were to have been framed in the civil department; but I left Madras suddenly, from extreme illness, and they had not been prepared at the period of my departure. Three native judges, with the full powers of zillah and criminal judges of the European courts, had been sworn in at the presidency before I left it; but since my arrival in this country, I have understood that the Bengal government revived the order existing during Lord Wellesley's time, for the transmission of all Madras regulations to the supreme government in Bengal before promulgation, and that the above-mentioned drafts were transmitted from Madras to Calcutta. I have not heard the result of that reference, but I believe that, in consequence, the proposed modifications have not yet been carried into full operation.

994. Had any of those three native judges who were appointed, entered on their functions before your departure?—One of the native judges, in the district of Soonda, on the western coast of the Peninsula, had been appointed considerably anterior to the other two, and had entered on and executed his functions for a considerable period before I left Madras.

995. Do you yourself concur generally in the expediency of the alterations suggested in the letter above mentioned?—I concur entirely in the expediency of all the suggestions submitted by the court of sudder adawlut, in their proceedings in question, with the exception of that part of them in which the court state that they do not consider the use of juries to be either safe or practicable; the remark is made by them as applicable to criminal trials before the *native* judges. My opinion is strongly in favour of the use of something similar to jurors on all occasions in criminal trials, both before the native and European judges, as an assistance to the European, and as a check on the native judge. It is a subject of great regret with me that the enactment made by the Madras government, in Regulation X, 1827, to introduce juries gradually under the Madras presidency, never has been carried into effect; the regulation has remained a dead letter, in consequence of the subsequent government disapproving of it.

996. Had no trial ever been given to it?—None whatever.

997. Has the punchayet system been tried in civil cases?—Yes, but without much success at Madras, in the *judicial* department.

998. To what do you ascribe the want of success with which that experiment has been accompanied?—Most of the suits in India originate with the monied classes of the people who are generally the plaintiffs, against the ryots who are usually

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usually the defendants, as borrowers of money from them; and my impression is, that the native bankers find it more to their advantage to institute suits before a distant judicature, in order to induce speedy payment of their debts by their numerous debtors, than before a judicature close to the residence of the debtor. I also think that they consider it more likely that they can influence a single native judicature, than a punchayet. I am inclined to attribute to the above causes the rare resort in the judicial departments to the system of punchayet, which in India has more beneficially exercised its influence in disputes before they come to the length of a lawsuit, than after the parties have become so adverse to agreement as to resort to that extreme measure.

999. What do you mean by resorting to a more distant judicature?—I mean that when a punchayet takes place, it can be held on the spot where the dispute arises; but our native judicatures being fixed at particular stations, when a lawsuit occurs, it is necessary that the party sued should go to the residence of the native exercising judicial authority, which is frequently 30 or 40 or 50 miles from the ryot's home; and natives to whom money is owing find it often to their advantage, by harassing a single debtor with a distant journey, to bring many of their other debtors to a speedy settlement of their debts.

1000. Is the punchayet to which the last question refers a punchayet for the purposes of arbitration rather than for the purposes of deciding a suit which has once been instituted?—Not for arbitration, but for decision. My impression of the enactments of the Madras government, contained in Regulations V, VII, and XII, 1816, respecting punchayets, is, that on an agreement to refer the subject of the suit to decision, by both parties, a village punchayet may decide; or, in particular cases, by one party, a district punchayet may decide; but that the decision takes place by the members of the punchayet in the village or district where the dispute arises, their decree being enclosed in a blank envelope to the native judicature, whose duty it merely is first to assemble them, and then to carry it into execution. In particular cases, either party consenting may constrain the other to refer the matter to a punchayet; but whether it is a district or a village punchayet which is to decide, in these instances, I do not clearly recollect.

1001. Are cases which have been actually brought before the judge ever tried in his presence by the means of punchayet, upon the consent of the parties?—Judges have the power, under Regulation XXI, 1802, to refer disputes before them to arbitration; but when parties consent to refer suits to punchayet they need not travel to a distant European court. The native head of the village, or of district judicature exclusively, has the power to assemble punchayets.

1002. Then, in fact, a punchayet never stands in the shape of our jury for trial of causes?—Never. I have had considerable experience of the use of punchayets, as a *revenue* officer, in the Bellary division of the Ceded Districts, and found them exceedingly useful there in adjusting matters of dispute, both between the inhabitants themselves, and between myself, as the representative of the government, and the ryots paying land revenue, as well as the merchants, who in that particular province pay a very heavy income tax. I have often found these parties resist all argument on the part of my native servants, as well as of myself, but immediately concede the point with cheerfulness when decided in favour of the government by a punchayet, deferring to the opinions of their equals, though they opposed that of the government officers. In such cases, as well as in numerous disputes regarding village offices, such as the right to the privileges of the head of the village, or of the watchman or other village officers, punchayets have been most extensively employed by the revenue officers in Bellary; and I have scarcely ever found any difficulty in inducing all such parties to agree to that mode of adjusting these disputes. When native animosity increases to such a degree as to terminate in a suit at law, it becomes more difficult to reconcile the parties to this mode of adjusting the dispute.

1003. Do you conceive that any advantage would accrue by enforcing the trial by punchayet in cases of a certain value or amount, not leaving it optional to the parties?—I think it would tend to degrade that tribunal in the public estimation to make a reference to it compulsory; but in very trifling cases I do not think that it would be attended with other disadvantages. I should prefer, however, something of the nature of a jury, to a punchayet; natives, in such bodies, acting much more satisfactorily under the supervision of a respectable officer, particularly of an European, as in the cases I have mentioned in Bellary, than when left without superintendence. It is not necessary that the European functionary should in the remotest degree influence such decisions. But in a ryotwar settled district, an efficient officer

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officer of this kind is rather the organ of public opinion than the representative of the government; and a knowledge that their decree, if unjust, will expose them to public odium, which will find a vent through him, operates as a great check on such punchayets.

1004. Of what description of persons are the members of the punchayet commonly composed?—In the ryotwar settled districts, such as Bellary, there are constantly in attendance at the office of the collectors and magistrates, many hundreds, sometimes thousands of the ryots, particularly at the period of the annual settlements, when occasionally 10,000 or 12,000 people of that description may be congregated together at the same time. The parties themselves are left to select out of those bodies whom they choose, and the collector generally nominates one of the leading agricultural inhabitants, known to be a person of good sense and discrimination, care being invariably taken to ascertain from both parties that he is one to whom neither have any objection.

1005. Supposing a case between a lender of money and a borrower of it to be decided by punchayet, of what description of persons in that case would the punchayet be composed?—The punchayet would consist, in all probability, of two wealthy monied men, chosen by the native banker; two respectable cultivators, chosen by the ryot; and a fifth person, of the description above mentioned, selected by the collector. A great deal, in a punchayet, depends upon the proper selection of that fifth person; the other parties enter into violent disputes, each as partizans of the person who has chosen them, and the fifth acts as the moderator to bring both to reason. Some of the decrees drawn up by punchayets at Bellary are admirable specimens of native intelligence, seldom equalled by some of our own European decrees.

1006. Are the members of the punchayet paid for their labour?—Never.

1007. Are they sworn?—They are not sworn; and even intricate disputes in the revenue department, such as I have described, are generally settled within a few hours, or at least in the course of a single day. The dispute must be exceedingly intricate indeed if the decision extends beyond that period.

1008. Is there any limitation to the amount of the suit that is subject to this mode of settlement?—I think not; where the parties agree to settle a dispute by punchayet, there is no limitation of amount.

1009. Is the decision of a punchayet final?—Decidedly so; subject to no appeal, except on proof of the partiality or corruption of the members.

1010. Is the decision of causes by punchayet an ancient custom in the provinces under the Madras presidency, or of recent introduction?—An exceedingly ancient custom in those parts of the presidency with which I am best acquainted, namely, the Ceded Districts; and I apprehend that it will be found to have existed all over the Madras territories, though the resort to it may have been more or less encouraged in different provinces, and it may more or less have fallen into disuse.

1011. Are you aware whether the practice of torture by the native officers, for the purpose of extracting confessions or obtaining evidence, has been frequently resorted to?—Under the native governments which preceded us at Madras, the universal object of every police officer was to obtain a confession from the prisoner, with a view to his conviction of any offence; and notwithstanding every endeavour on the part of our European tribunals to put an end to this system, frequent instances have come before all our criminal tribunals of its use. I recollect a very strong instance of this kind noticed in my own report as judge of circuit; it was in the Cuddapah district, where a native was hung by the heels from the beam of a house. I also recollect a brother judge, on the same bench with myself, mentioning to me very extraordinary means of torture complained of by certain prisoners, in which, with the view of eluding all discovery, the native police officers were accused of inserting heated bougies into the penis of the prisoners; and there is an universal anxiety on the part of the European judicial officers of the Madras government to guard strongly against even well-authenticated confessions, unless most fully corroborated by other evidence, on the ground of the great tendency of our native police officers to resort to this means for conviction. Even where ample proof otherwise exists, it is very difficult to counteract the tendency of our native police officers to induce confession on the part of the prisoners; indeed, we have not yet eradicated from the minds of our native agents that such means of proof have no weight with us.

1012. In criminal trials, is it the practice of the judge to examine, before a confession be given in evidence, whether it has been made under circumstances of fear, or

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or under circumstances of intimidation or torture?—With our courts it is the universal practice to lay before the judge of circuit who tries the prisoner, the whole of the depositions anterior to the trial, including of course any alleged confessions; those confessions are, by regulation, required to be attested by two witnesses, and those witnesses are universally examined; even when they swear that such confessions were freely and voluntarily given by the prisoner, the tendency of our European tribunals is in general to place little confidence in such evidence, on the ground of the tendency of our native agents of police to extort confessions.

1013. May the agents of police in whose custody the prisoner is taken be the attesting witnesses, or must the witnesses be persons who are unconnected with the police?—Our code originally prescribed that the witnesses who attest confessions should be persons totally unconnected with the police; the consequence was, that the police officers called upon many of the more respectable classes of the community to attend whilst such confessions were given. But those persons were so harassed by long journies, in attending first before the European tribunal which alone is competent to commit the prisoner, and subsequently before the distinct European tribunal which alone is competent to try the prisoner, that they evinced extreme aversion to this odious duty, and many even perjured themselves and declared that they were not present, though it was fully proved that they were so, merely to avoid performing similar duties thereafter. The consequence has been, that the original order was so far abrogated, that all police officers above the rank of a common peon were admitted as witnesses to such confessions, under Regulation V., 1819.

1014. Is not torture also resorted to for the purpose of getting evidence as well as confessions, and for extorting bribes?—I do not think that it is generally resorted to for such purposes, though occasional instances may have occurred of such gross abuse. On reference, however, to my report as judge of circuit, I observe that, in the instance at Cuddapah above mentioned, I recorded my opinion thus: "Aggravated, atrocious and reiterated torture, accompanied by murder, had taken place, in order to induce false evidence, and eventually perjury, against innocent individuals unjustly accused of robbery."

1015. Is there not some general term by which it is described; kittee, for instance?—Kittee is the hand-torture.

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Alexander Duncan Campbell, Esq., called in; and further Examined.

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1016. WILL you explain the kittee, or hand torture, mentioned in your last examination?—The kittee consists of a piece of bamboo split at one end, the other remaining shut. The hand is introduced at the open end, which is then closed upon it. I believe it was in partial use under the native governments which preceded us in the Madras territories, both as a means of inducing confession in police matters, and payment of arrears of revenue by defaulters. Applying it to the hand, placing a person in the sun with a stone on his head, and sometimes with the trigger of a matchlock shut upon his ear, were means resorted to by the officers of the native governments, for the purposes above mentioned, which, though entirely discouraged by us, may still partially prevail where the European authority is not so efficient as to check such abuses on the part of our native agency. In revenue matters it has been very generally discontinued, in consequence of the enactments in our Regulations of 1802 rendering the native officer subject to prosecution in the courts for any such measure. I only recollect one instance of its use by a native revenue officer subsequent to those enactments, which occurred in the Bellary district during the administration of my predecessor there, who in consequence of the native officer being convicted of that offence, removed him from his situation; my impression is that he considered him, otherwise, a very able native agent.

1017. How far do you think it would be proper to invest the Governor-General and the other governors at the different presidencies with the power of selecting natives, either at the presidencies or in the interior, to act as justices of the peace in all cases for the preservation of the public peace, or for the purpose of committing

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mitting persons accused of offences for trial?—I think it highly desirable that such a power should be vested in the local governments. But in making any enactment on this point, Parliament should distinguish the powers vested in the district magistrate of the provinces, by the general enactments of the local governments, over the natives only, and the distinct powers vested in the same European officer, as a justice of the peace, by the statute or common law of England, over Europeans alone. The powers of committal and punishment vested in him in the former capacity have, in the Madras territories, been most extensively conferred on the native officers under him. In his latter capacity, he cannot depute his powers. Indeed, in India the powers exercised by justices of the peace are of two descriptions; the one by the justices in the interior over Europeans exclusively under the English law, the other by justices at the presidency over both natives and Europeans partly under the English law, partly under the *presidency* laws enacted by the local government. I am of opinion, that with regard to the latter description of cases, viz., those at the presidency, there are many natives to be found amongst those there resident who are perhaps more able even than the European justices to decide on the cases of natives, and that it would be expedient to make it imperative on the local governments to select native gentlemen at each presidency to sit with the European justices on the trial of such cases. With regard to the committal or trial of *Europeans* by natives, I think it involves, in a considerable degree, not only the feelings of Englishmen, but a political question connected with our peculiar government in India; and I doubt whether we should not lower ourselves in the estimation of our subjects, if we rendered cases involving any high offences by Europeans cognizable by the natives *exclusively*. In such cases the Europeans accused would also insist strongly on the right to trial by jury; and I conceive that the preferable mode would be to throw such cases, as far as possible, into the hands of Europeans, and if vested in the natives at all, that they should act as assessors with the European authorities, not independently of them. A native judge would feel perhaps as averse to try or commit such Europeans for trial, as the European would to submit to his authority, on account of the accused belonging to the caste of the government. Independently of this, the notions which the natives entertain of the law of evidence are in many respects very different from ours; and the natives would, and do now daily, act upon evidence which any European authority would deem quite inadequate to justify the determination to which the native authority, acting without European assistance, would and indeed does come.

1018. The last question did not contemplate the trial either of Europeans or of natives, but simply that preliminary proceeding which consists in the apprehension of persons accused of offences, in committing them for a more regular trial; the question is rather how far natives would be fit for that preliminary sort of jurisdiction, than how far it would be proper to commit the actual trial of European offenders to their cognizance?—I consider natives perfectly competent to exercise all the powers of investigating criminal offences even by Europeans, previous to commitment; and all the higher native police officers in the Madras provinces do now in fact exercise such authority, in the case of European soldiers committing murder or other grave offences within 120 miles of the presidency, where no justice of the peace is present. The great difficulty with which a native has to contend, in conducting such duty well, consists not in any incompetency on his part, but in the peculiar laws of our own country regarding Europeans. They are at present subject only to the British criminal law, if British born subjects; and the higher courts before whom the case may come might feel greatly at a loss in charging a grand jury regarding the case, or in the event of the jury finding a bill, in the trial of the case itself, if it involved anything of the nature of a confession, or if the proceedings of the native tribunal were defective in that tenderness towards a prisoner, or in any other rules of evidence, which most justices of the peace understand to be essential for correct proceedings on their part, with a view to ulterior proceedings in a higher court.

1019. Supposing either at one of the presidencies, or in the interior of the country, an European to commit a serious offence in the face of day, and no European justice of the peace to be immediately accessible, and such European to be taken before a native committing officer, what power has such native officer of taking cognizance of the case, of inquiring into the facts, and of placing matters in train for the trial of the offender by the supreme court of judicature?—The officers of police *at the presidency* possess no power whatever, except that of

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arrest; they cannot take any written depositions whatever; and the European authorities exclusively are competent to commit either natives or Europeans for trial before the King's supreme court there. But in the Madras *provinces*, the superior native officer of district police has cognizance of cases, in the same manner as a justice of the peace in this country; he punishes petty offences by natives, of his own authority, and for higher offences commits natives for trial before the higher courts. As regards Europeans, however, his duty is confined to holding an inquest on the bodies of any deceased persons, to taking written depositions from all parties who have any knowledge of the matter, and to forwarding the case in this shape to the European justice of the peace, who, according to the English law, as explained in Regulation IV., 1809, of the Madras code, has exclusively the power of committing European British subjects for trial. In all such cases, on the matter coming before the European authority, whether at the presidency or in the provinces, new depositions must be taken *ab initio*, and the whole matter must be treated as if it had come before the European authority in the first instance.

1020. Do you see any objections to some regulation by which, under whatever restrictions, a power of committal for trial should be given to native officers selected for that purpose?—I see not the smallest objection, if such natives possess a competent knowledge of the English law, or if the law to which the accused is to be made amenable is so altered from the English law, as to be clearly understood by the natives appointed to exercise that authority.

1021. It is understood that justices of the peace have a conclusive jurisdiction in certain criminal cases of a lower kind, is that the fact?—Justices of the peace *in the interior*, under the Act of Parliament passed previously to the last renewal of the Company's Charter, possess power of deciding petty cases of assault committed by Europeans. *At the presidency*, justices of the peace possess the same authority over Europeans; but in addition to that, further authority is vested in them, under regulations of the local governments, drawn up for the good government of the metropolis of each presidency, and registered as the law requires in the King's supreme court. Their jurisdiction, in this respect, extends both over Europeans, and the natives at the presidency subject to the criminal jurisdiction of the supreme court.

1022. Are you of opinion that there should be a power in the governments to select natives who should be invested with those functions which you have described, the exercise of such functions extending both to natives and to Europeans?—I think that, *at the presidency*, it is exceedingly desirable to confer such authority on native gentlemen, both as regards Europeans and natives; such native gentlemen acting as the Europeans now do, in conjunction with their other brethren of the bench, including Europeans. I myself have presided as superintendent of police over the bench of magistrates at Madras, and the cases coming before that tribunal consist of an exceedingly numerous class of petty offences, respecting which the whole of the evidence is generally that of natives exclusively. That bench also possesses authority to assess the town of Madras for the purpose of lighting the town, and of the police; and I consider the native gentlemen of the place more competent than ourselves to decide on native testimony, and much more interested than we are in the just levy and due application of the funds, to which they themselves largely contribute. It is their exclusion from a seat on the bench of the magistrates *at the presidency*, which I consider the higher classes of the native community at all our three presidencies to view as a severe grievance.

1023. Supposing natives to be made eligible to the situations in question, should you conceive that such eligibility ought to be confined to natives unconnected with government, such as merchants or landholders, or that it should be extended even to those who are dependant upon our government, or officially employed under it?—I do not think that any class of the natives should be excluded; but I conceive that, practically, the government never would thus employ any of the native officers under themselves; for all natives in public offices have too much to do to attend to this duty. The selection should not be confined to the class of landholders, few of whom exist at some of the presidencies, but ought to be made generally from the resident native gentry of the place, possessing most influence, and of the highest character in the estimation of their own countrymen. These persons are well known to all the local governments of India.

1024. Would not such a regulation have a tendency to raise the character of the natives at the presidency?—I think it calculated to raise the character of the natives

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at the presidency, which is also the place of all others, where it is of the greatest importance that their character should be raised.

1025. How far should you think it expedient to extend this privilege to native gentlemen in the provinces?—I doubt the expediency of extending it to them in the provinces, because there the principal native gentry are the resident landholders, against whom principally most complaints are made by the lower classes of the people; and as they seldom see any European, except those in the King's or Company's service, they would shrink from the performance of such a duty, over any except the very lowest classes of Europeans, including the European soldiery. I have already alluded to the questionable policy of such a measure. If a more extended intercourse of Europeans with India were established, and the native gentry in the interior became better acquainted with that class of people than they now are, perhaps the present objections against extending such a measure to the provinces might, so far as Europeans are concerned, gradually disappear.

1026. Then, on the whole, are you of opinion that the experiment of extending the functions in question to the natives should, in the first instance, be tried at the presidencies?—I think that it should be tried, and would there work well.

1027. You have been a good deal examined before the Public or Miscellaneous Committee, on the subject of establishing a legislative council in India; does it occur to you to give any information or opinion upon that subject, which you have not stated before that Committee?—I do not think that I have anything material to add to my former evidence on that subject.

1028. Do you think that the relaxation of the restrictions which a good deal prevent Europeans from entering into the interior of India and forming establishments there, would in fact be attended with the effect of the greatly increased settlement or residence of Europeans in the provinces?—I am inclined to think that it would increase the number of settlers, particularly under the Madras presidency, where the restrictions against the residence of Europeans, not in the service, have been more rigidly enforced than elsewhere, and where I think European capital and skill would find in many cases very useful and beneficial employment; but I do not think they would colonize or settle permanently in India.

1029. Would the introduction of Europeans, as competitors with the natives, in the different branches of trade, agriculture or manufacture, operate upon the whole favourably for the natives in the interior?—Decidedly so; I can contemplate no instance of their operating otherwise. I speak with reference to the few cases in which Europeans have found admission into the Madras territories.

1030. Would the immediate effect of a successful competition be injurious to those who were worsted?—There would be hardly any competition. There could be none with the great mass, viz., the lower agricultural classes of the natives, for no European could, with success, attempt competition with them, nor with the more numerous portion of the other natives employed in actual labour or in the minor branches of trade, on account of the much cheaper rate at which natives live, compared with that of the expenses of the lowest class of Europeans, whose wants are much greater in India than in their own country. The same cause renders it unlikely that any European artisan could successfully compete with the Indian of a similar rank. The great want at Madras is want of capital, both amongst the agriculturists and the traders of the country. The whole of the country is in this respect very much exhausted; and I think that the successful class of European settlers would be those who might employ a large capital in the improvement of the irrigation, or of the agriculture, of the country, or in extensive trade. This would introduce a new set of men into the Madras provinces, distinct from any considerable class of the natives known there.

1031. Do you mean to say that neither native labour on the one hand, nor European capital on the other, would find any competition to cope with it?—Yes, that is my general impression; I also think that European invention, skill, enterprise and superior ability, would lead many of the few natives who do possess capital to join their capital with that of Europeans, more to the benefit of themselves than it is now employed.

1032--3. What natives do you think would contribute their capital in that manner?—The few native capitalists at the presidency, and gradually those in the interior also.

Veneris, 29° die Junii, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

James Mill, Esq., called in; and Examined.

IV. JUDICIAL.

James Mill, Esq. 29 June 1832.

1034. HAVE you considered the present state of the law in India, and the provisions which have been made for its administration?—In some degree, I have.

1035. What is your opinion as to the practical effect of the system, and in what degree is the administration of the English law by the supreme courts in India necessary or advantageous?—It has always appeared to me, that two systems of law in any country were a thing of itself objectionable. As far as possible, the people should have but one set of rules to govern their conduct, and those rules as simple as possible, in order that they may be more perfectly known. Two systems of law imply, besides complexity, the expense of two judicial establishments, one for each. The inconvenience, I conceive to be exceedingly enhanced, when the two systems are liable to come on the same ground; that is, when a distinct line is not drawn between the classes of individuals subject to each. In India the limits of jurisdiction have been exceedingly ill defined. The jurisdiction of the supreme courts is extended over the natives to a great, and by no means a well defined degree, whence it happens, that the same persons are subject to two different and highly dissimilar systems of law; and as they are a simple and ignorant people, guided by what they see and hear, and with very little reflection, the confusion thus created in their minds may be easily conceived. The history of the introduction of English law shows that the circumstances which originally called for it have entirely gone by. When it was first introduced, we had no territorial possessions in India, and no subjects: the English were a small number of individuals allowed to establish themselves in the territory of a foreign sovereign: established in a country where the provisions for the administration of justice were most imperfect, the English found themselves exceedingly at a loss: not only questions of property arose among themselves, but a great demand was felt for the suppression and punishment of crimes. It was not considered expedient to have recourse to the tribunals of the country, more especially in criminal cases, both because trust could not be reposed in the equity of the sentence, and because punishments were barbarous; they therefore obtained from the Government at home a charter for the administration of justice amongst themselves, and in the circumstances of that time, the expediency of administering English law, there being no others than Englishmen to administer it to, cannot be doubted; but the nature of the case was totally changed when we became the sovereigns of those territories, and established tribunals of our own for the population contained in them. We, however, continued the establishment for the administration of English law to the small number of Englishmen, after the tribunals of the country were ours, in the same manner as we did when the tribunals were the tribunals of a barbarous government, and when we could have no confidence in them. It appears to me, that the purposes which those institutions were intended to serve, not now having any existence, there is no occasion for them. The tribunals of the country are no longer the tribunals of a barbarous sovereign, but our own tribunals; and therefore to maintain a special set of tribunals for a small number of individuals mixed with the immense population of the country, appears to me in the first place needless, and on account of the inconvenience with which it is necessarily connected, highly impolitic.

1036. Are you not perfectly aware that the supreme courts of judicature, as now constituted, were introduced under circumstances somewhat varied from those which you have described, as the circumstances under which the introduction of the English law took place; that they were introduced after we acquired territorial dominion, and with the special view of checking abuses, or supposed abuses, committed under the Company's government; advert to that view of the subject, and consider whether it does, in any and what respect, affect your former answer?—I am aware that the supreme courts, as now constituted, were introduced subsequently to our obtaining the territory. The courts were established on the present footing, partly with the view of improving the administration of English law, and partly under the supposition now mentioned, that they would afford security against injuries

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injuries committed by the local government. The courts of English law can interfere with the acts of the government only when illegal acts have been committed against Englishmen. I am not aware that the history of them affords any great experience of their utility in that respect; the instances are few, I think, in which the government have been charged with injuries to Englishmen, for which the supreme courts could afford redress. Besides, it appears to me that an Englishman residing in India will always have abundant means of making known his complaints, and urging his claims to redress, if supreme courts were put out of existence.

1037. Do you think that any inconvenience would arise from the doing away with the supreme courts, from this circumstance, that these have now been established for some time, and there are considerable communities which have grown up at the different presidencies, who have been habituated to this jurisdiction, and they are generally supposed to be content with it?—It may be that the change of system would be felt as an inconvenience at first, because a change in anything to which people have been accustomed, especially in what touches their interest so strongly as a system of law, disturbs their thoughts a little when it first takes place. But that disturbance, I think, would speedily wear off, and after all, is nothing of an inconvenience compared with that which seems inseparable from the existence of two exceedingly different and conflicting systems of law in the same country.

1038. It has been alleged by several persons that the natives do, in fact, feel a great confidence in the supreme courts, and a confidence derived principally from the notion that it is a sort of check on the Company; how far do you assent to their opinion?—The natives of Calcutta and of the other presidencies have a confidence in the supreme courts on two accounts. In the first place, they are under the superintendence of a jealous and intelligent public; a good ground of confidence always. That, however, would not be excluded under any arrangement by which the present courts would be superseded. I know not any ground of confidence which, in such a case, would be taken away, except the idea that the supreme courts rest upon an authority superior to that of the government. Now it appears to me, that this last ground, so far from being an advantage, is altogether an evil, and of great magnitude. The existence of a double authority in the same country of two independent authorities, can never lead to good, must always act unfavourably on the willing obedience of the people, which is the strong arm of the government. It never can be reconciled to common sense, that an authority should exist in any country pretending to be superior to that government to which all must pay obedience, and to which all look up for protection. I think, therefore, the existence of courts upon a footing different from the will of the government of the country, is altogether to be avoided; and that, even if it were deemed expedient to maintain courts for the administration of the English law for Englishmen, it would be a most important improvement to make the commission of the judges run in the name of the government rather than in the name of the King. The same independence might be secured to them in the one case as in the other; they might be equally appointed for life, and responsible for their good behaviour to the same authorities.

1039. Do you think any advantage is obtained by having courts in India which are in sympathy with the judicature of this country, and the judges of which are supplied immediately from the body of English barristers?—With regard to the mass of the people in India, I do not see how that circumstance should have any operation at all. With regard to the Englishmen, they may be supposed to be attached to their own laws, and possibly enough would have objections to be deprived of what they call the protection of English laws. But that is a feeling which, if substantial security were afforded them by other arrangements both for their properties and their persons, I think would speedily give way, and at all events ought not to stand in the way of arrangements that are of importance to the good government of India.

1040. The question being in what manner the objects of good government are best to be secured to the natives, is it of no advantage to them that the supreme courts exhibit in their capitals a standard of judicial administration which is asserted by an authority paramount to that of the Company, and to its practice the Company's courts may in some degree conform their own?—I question very much the idea that the operation of the supreme courts has had any influence in ameliorating the proceedings of the native courts, not only because the two systems are so exceedingly different, but because the intercourse and acquaintance with the proceedings of the supreme courts are extended to so minute a portion of the

the population and their judges. I may add, that in my opinion the English courts afford more examples of what is to be avoided than what is to be followed in tribunals erected in India.

1041. Do you conceive that at the presidencies an assimilation could be easily made of the English law, which prevails there almost entirely, to any system of law which should also be administered to the natives in the provinces?—The change I should contemplate at the presidencies, in the first instance at least, would be a change with respect to the judicial establishment and the form of procedure, rather than in the law itself. In point of fact, what the supreme court now does is to administer English law to Englishmen, and native law to the natives, though both according to the forms of the English courts. Now, the difference in my contemplation would be, that English law would still be administered to Englishmen, and the native law to the natives, but according to the forms that might be adopted as best applicable to the courts of the country generally. The questions which fall for discussion in courts of law generally, and in India with few exceptions, come under the two great heads of inheritance and contract. As far as questions of contract are concerned, the leading principle of law is the same everywhere, the interpretation of the will of the contracting parties. With respect to inheritance, it is the uniform principle of all the tribunals in India to attend to what is the law of the party before the court; to administer the Mahomedan law of inheritance where the party is a Mahomedan, the Hindoo law of inheritance where the party is a Hindoo, and the English law of inheritance where the party is an Englishman; nor do I see what should hinder the same thing from being done with correctness under the change which I contemplate.

1042. State your opinion as to the efficiency of the country courts, as at present established?—I conceive that as at present established, they labour under considerable defects. When courts for the administration of law to the natives were first established by our government in India, they consisted of three grades, the Zillah Courts, the Provincial Courts, and the Sudder Adawlut; all three were courts of original jurisdiction, but rose above one another in the amount on which they could adjudicate. The zillah courts, of which one existed in each considerable district, had jurisdiction of all causes up to a certain amount; the provincial courts, each of which included the local limits of several zillahs, had original jurisdiction from the point at which the zillah courts stopped, up to a considerably higher amount; and the sudder court, the jurisdiction of which included the whole country, had original jurisdiction in all the higher sums; the provincial courts were, besides, courts of appeal from the zillah courts; and the sudder adawlut was the court of appeal from the original jurisdiction of the provincial courts: such was the provision for civil judicature, both original and appellate. The provincial courts had confided to them, besides, the entire criminal jurisdiction of the country, with the exception of the duties called magisterial, imposed on the zillah judges, including a portion of criminal jurisdiction, analagous to that possessed by the justices of the peace in England, acting singly. Experience discovered, that the establishment, as thus formed, was, in point of extent, unequal to the business which was to be performed. The tribunals of all the grades were unable to get through with that portion of the business which fell to their share. To supply the deficiency of the zillah courts, natives were employed as judges, to decide causes of a small amount. There were then four grades of tribunals of original jurisdiction, native judges, zillah courts, provincial courts, and sudder dewanny adawlut, rising one above another by the amount of the sums for which they could adjudicate, and the one immediately above always acting as an appellate court to the one below. The use of the native judges, the amount for which they could adjudicate, has gone on increasing, till by a recent decision of the government, they are to be intrusted with nearly the whole jurisdiction in the first instance; they are to try all causes up to the amount of 5,000 rupees; and causes in India for sums exceeding this are comparatively few. In the meantime it was also found that the business of the provincial courts, including criminal jurisdiction, with the portion of original and appellate jurisdiction in civil matters assigned to them, was much more than what they were able to accomplish. In 1829 the resolution was adopted of appointing functionaries, called commissioners of revenue and circuit, who among other duties were intended to exercise the whole of the criminal jurisdiction which had belonged to the provincial courts; that scheme proved a failure from the beginning; the commissioners were too few for the duties with which they were charged.

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A resolution has been recently adopted to relieve those commissioners from the whole of their criminal jurisdiction, that is to say, the judicial duties which had been assigned to them; and in consequence of this, a great change in the whole of the judicial establishment has been resorted to. The jurisdiction in the first instance has been confided to native judges up to 5,000 rupees; and the zillah judges, being thus relieved of almost the whole of their original jurisdiction, are to have the criminal jurisdiction of the country. The system therefore will stand thus: the civil jurisdiction in the first instance, almost wholly in the hands of the native judges; the zillah judges to be judges in appeal from the native judges; the sudder adawlut judges in appeal from the cases decided by the zillah judges; and the zillah judges, besides their original and appellate jurisdiction, to have the criminal jurisdiction entirely; it being part of the plan, that the provincial courts should be abolished.

1043. In what respect might that system be considered equal to its objects, and in what respect deficient?—I think it is much to be feared that an amount of duty beyond what they will be able to accomplish, is assigned to the zillah judges. They are to receive appeals from the native judges, who must be very numerous; they are to have upon their hands the criminal jurisdiction of their districts, and besides all this, a portion of original jurisdiction, viz. in the higher sums reserved to them. One of the most defective parts of our Indian system has always been that of appeal. It appears to me that the correct notion of appeal has not been kept in view: one error, I think, has consisted in giving the business of appeal to courts the principal part of whose time and attention was absorbed by judicature in the first instance. There appears to me one obvious and great advantage in courts for the business of appeal exclusively, and others for original jurisdiction exclusively, and that the two species of jurisdiction should not be joined. A still greater error has been committed in India, by an incorrect notion of the real business of appeal. Courts of appeal acting as such have considered it competent to them to take new evidence, by which in reality their functions ceased to be those of an appellate court, and became a new trial, from which trial of the same cause only by another tribunal, there was in reality no appeal at all. I consider the objection to the taking of fresh evidence in appeal as quite radical: besides its being in fact a decision without appeal, it interferes with other advantages of great importance. If you confine the proceedings on appeal to what is substantially appellate judicature, you may always have your appeals brought before the best tribunals, because nothing being submitted to the court of appeal but the pleadings and evidence, there is no occasion for the attendance either of witnesses or the parties; and the distance of the appellate court from the abode of the parties is therefore a matter of indifference.

1044. Would you think it advantageous, in cases where fresh evidence arises in the appellate court, to send back the cause for trial to another court?—The complaints which come before the appellate court must at the utmost be of three kinds: the appellant complains either that evidence which ought to have been taken has not been taken, or that the evidence taken has not been duly weighed, or that the law has not been properly applied. Now with regard to two of these questions, namely, whether the evidence has been properly weighed and the proper decisions come to, and whether the law has been properly applied, the appellate court is competent to decide them upon the mere view of the record. If the complaint should be, that evidence which ought to have been taken was not taken, the proper course for the appellate court is to send the cause back to the original court, where justice seems to require it, with an order to take the evidence and pass a fresh decree.

1045. In both these cases, would it not retain its real character of an appellate court?—It would do so, confining its functions expressly to the appellate business.

1046. You were proceeding to state the defects of the system as last established in India in the native courts; have you any further remarks to make upon that head?—Another of the defects of the existing courts has been their system of procedure. With a view to avoid prolixity and complication of the pleadings in English law, it has been attempted to confine them to two instruments, the plaint and the answer, and to confine them to the setting forth of material points only. But the business being left to the management of ignorant parties and their ignorant advisers, it rarely happens that the real point in dispute is elicited or an issue joined, and the case comes on for trial before the judge with little or no preparation: the parties seldom know to what points evidence will be required. The attendance of numerous witnesses, the great distance they have to come, the uncertainty when

when their cause will be heard, and the necessity of a long and expensive attendance, constitutes such an obstruction to the business of justice in India as has rendered it almost nugatory with regard to a great proportion of the people. Another objection of mine to the courts in India is, that they have been established upon the principle of one sort of courts for sums of small amount, another sort of courts for sums of higher, the best tribunals for the highest sums, the worst tribunals for the lowest; declaring, in fact, that more care is due to prevent wrongs done to the rich than wrongs done to the poor. The opinion which has obtained but too generally, appears to me most erroneous, that suits for the small sums are suits of the least importance. I think, in point of importance, the reverse is the right order; and I am not sure that the causes for small sums are those which it is the most easy to decide.

1047. Why do you think they are not the most easy to decide?—I do not mean that they are apt to be the most complicated, but that it is most difficult to provide security for the fair and honest decision of them: the rich man can make a noise, and will be heard if he is wronged. The case of a rich man creates attention, that of the smaller sums escape observation. The great difficulty in India, where there is little aid from publicity, is, I fully believe, in securing honest decision for the smaller sums. Another point on which I think they have erred in India is this, that when they found the number of tribunals too small for the business to be performed, they have so long persisted in forming tribunals with more judges than one. A single judge can at all events get through with a greater amount of business than several judges sitting together, because no time is lost in hearing one another; and there are strong reasons for believing that the securities even for good judicature are greater in the case of a single judge than when the judicatory is more numerous.

1048. Can you suggest any and what improvement in that system, directing your attention first to the judicial establishment?—In India there is a necessity for numerous tribunals, because if justice is not brought near to the poor ryot in India, he is denied access to it altogether; it is therefore not a matter of choice but necessity, to confide judicature in the first instance very extensively to the natives. It has at last become a prevalent idea, that the best arrangement would be to confide judicature in the first instance entirely to the natives, reserving the business of appeal to Europeans. The supreme government in India have now proposed to go very nearly to that extent, confiding the trial of all causes up to 5,000 rupees to native judges. When they had gone so far, I do not see why they should not have gone a step further, and have simplified the system, by confiding jurisdiction in the first instance wholly to the native judges. I confess in the mental state of the natives at present, I should have been afraid to have gone so far; but if they are competent to 5,000 rupees, they are also competent to all the rest. We have however the means, I think, of providing a very considerable security beyond what has been proposed by the Bengal government, against the defects which cannot but be anticipated at first in the judicature of the natives judges. According to my idea of appeal, we should have a temporary resource of a very important kind in the zillah judges, to whom I would give concurrent jurisdiction with the native judges. I think there should be only one appeal from any court; and there being but one appeal it should always go to the best tribunal. The best tribunal they have in India is the sudder adawlut; I therefore think the appeals from the native judges, instead of going as now to the zillah judges, should go to the sudder adawlut directly: such alteration would then be necessary in the sudder adawlut as would enable them to discharge the business promptly. I consider it of the essence of appeal, and that upon which a great portion of the benefit of it depends, that it should be decided promptly. If the business of appeal be as simple as I conceive that it is, there would be no objection to appeals going to Calcutta from all parts of the presidency, even the most distant; because the proceedings before the original court might easily be transmitted by the post. By going to Calcutta they would have two first-rate advantages, that of the best judges, and that of the best public. The judges of the sudder adawlut should sit separately, each judge deciding as many appeals as in his power, the number being sufficiently increased to get expeditiously through the business. As one of the uses to be derived from courts of appeal, a use of peculiar importance where local courts are numerous, the law ill established, and the qualifications of the judges not high, is to secure uniformity in the law, an additional and imperative reason thence arises from the presence of the appellate courts on the same spot.

1049. Would it not be difficult to transmit the legal documents to so great a distance?

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a distance?—When papers are to be transmitted by the post, whether the distance is 100 or 500 miles is very immaterial. The proper arrangement, I think, would be that the judges should all sit in one hall of justice, but that each should have his separate apartment open to the public, and that only when a doubtful question on a matter of law arose, they should deliberate and decide in common.

1050. What do you think of the suggestion, that there should be two sudder adawluts, one for the Lower and another for the Upper Provinces?—I should prefer having the appellate tribunal at Calcutta, because the inconvenience of transmitting documents the additional distance is not material; and the public at Calcutta is so much superior, as to be an advantage of the greatest importance. For the sake also of a more perfect uniformity in the decisions of the judges, and of course in the law, they ought to be all on the same spot. As I have now described it, we should have a judicial establishment exceedingly simple: tribunals of native judges for original jurisdiction in all parts of the country, and a tribunal of appeal at the Presidency.

1051. Do you conceive native judges could be intrusted with exercising their functions, without the presence of any European judge?—The native judges are much less fit for the trust to be reposed in them than is to be wished, but there is no remedy; there are no means of having Europeans with them, and we must look out for other securities, and provide the best we can. One to which I have as yet only alluded, would be the concurrent jurisdiction of the zillah judges. As, according to my plan, they would be relieved of all the jurisdiction, both civil and criminal, now assigned them, their whole time would be at disposal, and I would retain them as judges with original jurisdiction, the same as the native judges, giving the option to the people of going before either; a test would be thereby immediately afforded of the degree of trust reposed by the people in the native judges, and a greater check would be thereby applied to them, than by anything, in addition to the appeal, which I think we have the means of providing. Something might also be done by the appointment of assessors to the judge, who might be chosen something in the way in which we choose a jury, and would act as a sort of public.

1052. You have as yet suggested no observations with regard to the administration of criminal justice; will you state any observations which occur to you upon that subject?—The business of criminal judicature has generally been treated as more difficult, or at least it has been thought that its errors required to be more carefully guarded against than those of civil judicature. But I doubt whether it is an opinion which is well founded; criminal judicature may be considered as more simple than civil, as really requiring less discrimination and acuteness of mind than a large proportion of civil cases. The injury liable to be sustained by bad judicature in civil matters is often more serious than in penal matters;* setting aside the cases of the higher punishments, particularly those implying irremediable injury. If then I am right in this my opinion, that the business of penal judicature is to the full as easy as civil judicature and that it is not more difficult to take securities against the evils liable to be incurred by bad judicature in the one case than the other, there is no reason why the judges to whom the whole of the civil jurisdiction is assigned, should not also be the criminal judges. That being my opinion, I would make the native judges, criminal as well as civil judges. So long, however, as the native judges in India are as imperfect as they now are, it would be desirable and necessary to stay execution in all cases not of a very moderate degree of punishment, till the proceedings were reviewed by the sudder adawlut. There would be the inconvenience in that case of taking down in writing the proceedings and evidence; but this, I think, would be amply compensated by the advantages which would attend the arrangement. Some further provisions may be thought necessary with regard to very high punishments, especially those implying irremediable injury, above all, death; but it appears to me that the punishment of death in India might be kept within very narrow bounds, if not altogether abolished: it is known to be part of the character of the natives, to stand more in awe of other punishments than of the loss of life.

1053. What is the punishment more effective on the inhabitants in India than the capital punishment?—They dislike hard labour more, and banishment; and in truth the punishment of death even at present is sparingly inflicted.

1054. Do you apply your system of having native judges in the courts, to criminal cases occurring between a native and an European?—Yes; all questions

occurring

occurring within the district to be decided in the same manner, whoever the parties may be.

1055. Do you think that it would satisfy an European that his case, either civil or criminal, should be decided in the provinces in those courts where only natives are judges?—The security to the European would be such as I think ought to satisfy him, because he would always have, in the last resort, the benefit of decision by an European judge of the highest grade, and acting under the strongest responsibility. Considerable objection is likely to rise in the mind of an Englishman at the first idea of being subject to punishment upon the award of a native judge. But as all decisions of a native judge awarding punishment beyond a very slight one should be stayed until the cause is reviewed by the superior court, no punishment beyond a very slight one would be inflicted upon an Englishman, except by the authority of the English judge.

1056. Do you think that Europeans would be satisfied by having their case decided by judges without a jury?—I think that having security for good decision, they ought to be satisfied. But if the prejudices of Englishmen should raise insuperable obstructions, a special provision might be made for them; a recorder's court might exist at the three presidencies to try Englishmen in the more highly penal cases, and then they might have the satisfaction of a jury also.

1057. If an extension of liberty is granted to Europeans to reside in the country, would it not be fair to exact from them, as a condition of such residence, that they should be subject to the same laws as the natives?—I think not only that it would be reasonable, but that it would be indispensable.

1058. Be so good as to offer any suggestions that occur to you with respect to the improvement in the mode of judicial procedure?—I think the mode of judicial investigation which has been common in India, is to a very considerable degree faulty. It has erred, in the first place, by a very unnecessary departure from the practice to which the natives were accustomed; I mean that of parties appearing personally before the judge and stating their own case. I believe that in India few things would be more efficient for the purposes of justice than oral pleading, which, properly managed, I deem an instrument of inestimable value. The judicial investigation divides itself into two parts; the first, what in England we call the pleadings; the second, what we call the trial. The first part consists in the essence and nature of the thing, in the statements and counter-statements of the parties; and the use of those statements and counter-statements is, that the exact point upon which the controversy turns may be ascertained. This is a matter of so much importance to a right decision, that it never ought to be intrusted to any body but the judge. When the parties are asked by the judge what is their demand and what the ground of it; what the defence, and the ground of it, he sees immediately what is relevant and what is not so, he discriminates what is well founded from what is ill founded, and is so far able, by clearing off all that is unsound and superfluous, to get at the merits of the case, to fix upon the exact point at which the controversy turns. This mode of proceeding is found by experience to have this other most important consequence. When the statements and counter-statements of the parties are made before the judge under the best securities for veracity, a very great proportion of causes stop there, and are satisfactorily conducted. The scrutiny of their statements by the judge enables the parties themselves to see whether they have grounds or not; they consent that a judgment should be pronounced at the first hearing, and all is over without delay and without the expense of a trial. When doubt remains, it is either with regard to a matter of fact or a matter of law: when the matter of fact on which the question turns is affirmed on the one side and denied on the other, then comes the trial, the object of which is to ascertain the truth with respect to the particular fact by evidence. But as the judge himself has thus determined the very fact which is to be proved, no witnesses are called but to speak to that fact. The judge might limit the number of witnesses, and the expense attending it still further; he might require of the parties a list of the witnesses each expected to speak to the point; and by questions eliciting what they are expected to know, and why, the judge would be enabled to discriminate what witnesses there would be any advantage in having, and what there would be no advantage in having, and it might be proper in him in such case, assigning his reasons, to grant his summons for such only as he thought would be useful.

1059. I want to know whether it would be possible to leave the parties to call the witnesses on each side?—The reason why the choice should be left to the judge is,

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is, that no witnesses but those who are likely to be really useful, should be subjected to the burden of attendance. The course of proceeding which is now followed in the courts, is attended with very different effects. The pleading, as the first part of the judicial investigation is called, is all in writing, and is reduced to a statement of the demand on the part of the plaintiff, and a statement of the defence on the other part: it is enjoined on them that they should confine themselves to the points which are in dispute. In reality, however, the instruments being prepared by the parties themselves and their advisers, who are incapable of discriminating the point in dispute, are a confused mass of allegations, and are so far from being intended by them to be the real representation of the truth, that they are as wide a departure from it as they can contrive, with any semblance of truth, to make it. There is in reality in this mode of proceeding no issue joined. Two great evils are incurred: one is, that every case, instead of stopping at the first stage, of necessity goes on also to the second, and incurs all the expense of the trial, necessary or not: the second is, that parties, not knowing to what particular facts or points witnesses will be required, are under the necessity of bringing them to every point for which they think it is at all probable they may be needed. With respect to the second part of the judicial investigation, viz. the trial, there is one thing which I should mention, a practice common in Bengal at least, which has been pressed upon them by the amount of business and want of time on the part of the judges; I mean the practice of taking evidence by deputy. A great deal of the evidence is there not taken by the judges themselves, but by the native officers of their courts, and reported to the judges, who decide upon this reported and very untrustworthy evidence.

1060. Have you any suggestions to offer with respect to the law that should be administered in our provinces in India?—The state of the law, the native law in India, is very imperfect; so little is there of what can be called law, that the business of the courts is little less than arbitration. Of law in India, resting on the authority of any legislature, there is none. There are certain books which they call law-books, but they contain only the opinions of certain individuals, and their talk is so general, so exceedingly loose, that it affords little or no direction. The customs of India are in fact the laws of India, that by which almost all rights are created and maintained; and these customs, at least in the great features, have luckily much uniformity. The judges in India have thus a peculiar duty; they have to take evidence not only to the matters of fact which come in dispute before them, but to ascertain the law; that is, to gather from the testimony of witnesses what is the custom of the country and of the place. Here the great practical question is, what can be done to classify and record those customs in a book, under such well defined heads and such accurate expressions as would give them in any degree the instructive operation of laws? It appears to me that a great deal might be accomplished. The leading customs which constitute the great directing principles in India, are not so many but that they might be comprehended in general propositions or maxims, which might receive by the Legislature the authority of laws, and thence by degrees a code of laws not interfering with, or disturbing existing rights, but in reality confirming and establishing them, might be obtained. The regulations of the government have to a great degree superseded the Mahomedan penal law, which was general in India when we established our dominion there. Our penal law, however, has not much accuracy, and all offences are classed under a few very general heads, so that a very large discretion remains with the judge: but there would be no great difficulty in breaking down those large classifications into subordinate ones, in such a manner as to render the penal law sufficiently precise. It is by no means impracticable to obtain in writing such general maxims both in the civil and penal branches of substantive law, as would afford a tolerable rule for the judges in India.

1061. You have spoken of the courts that have administered one system of law to Englishmen in India, and another system to the different classes of natives. On the supposition that Englishmen were allowed to hold land in India, would you introduce the English law of inheritance?—Not by preference. Uniformity is an important advantage, and the law of inheritance with respect to land should be the same as with respect to chattels, which is the law of the natives: but if it was considered by Englishmen a matter of importance that the law of primogeniture should be preserved, it does not occur to me that more than an inconvenience would be sustained by indulging them.

1062. Do

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1062. Do you mean in the system of oral pleading recommended by you, to do away with the present system of plaint and answer?—Yes.

1063. Would you have the issue settled entirely by the judges?—Yes.

1064. Have you considered the subject of appeals from India to England?—I have thought of it certainly as a part of the general system.

1065. Do you consider the present system on that head as proper and efficient?—The mode of appeal against decisions in India, to the Privy Council in England, is undoubtedly very defective as hitherto managed. Appeals have been instituted, but no provision having been made for prosecuting them here, the misery of unfinished suits has been the consequence. Steps towards a remedy have been recently taken: it has been under the consideration both of the Court of Directors and the Privy Council, how this evil might be removed. If appeals are to come from India, provision ought undoubtedly to be made in some way or other for their being speedily brought to a hearing and conclusion; but it has never appeared to me, that for attaining the ends of justice substantially, an appeal to England is in reality needed. If you take, as you ought to do, the best precautions for obtaining correct decisions in India, it is unnecessary to go any further. It would be too much to assume, that injustice, after all we can do, would never be committed by the courts in India, because we never can have all perfect securities against injustice; but there is great advantage in having an end of litigation; and I am not apprehensive of so many instances of failure of substantial justice in India, that the remedy for them would be a compensation for the inconvenience incurred by sending them to England. One advantage which is frequently insisted upon, as derived from appeals to England is, that the attention of Englishmen is thereby called to Indian subjects, more fully and more closely than it would otherwise be: first of all, I think the attention of Englishmen is but little turned to the litigations before the Council; I hope that better means will be found of drawing attention in England to the government of India; and at all events, discussions in England must rather operate as a check upon the general proceedings of government, than as a security against mis-decision in the courts of law.

1066. Then is it your impression, that no appeal should be allowed from India to this country?—I think none should be allowed: I think if you make the courts there as good as you can make them, appeals to England will be attended with more evil than good.

1067. Have you attended to the subject, whether Europeans whom we employ to administer justice in India, should be educated for that purpose, or whether government should trust to their being sufficiently qualified; whether or not provision should be made for their education?—I think an appropriate education for that portion of the servants of the Company, who are destined for the business of judicature in India, has not been sufficiently provided for. Anything that approaches to the nature of education for judges, as the subject is contemplated by me, has not, if I am rightly informed, had place at all. The College at Haileybury has chiefly had in view, as it ought, the business of general education; that the young men sent out might be well educated gentlemen; the object undoubtedly of primary importance. But what has been provided for legal instruction appears to me not to have been very well devised. What I mean is, that it is not directed to what should be the main object of it. The original design of the law-class at Haileybury was that of a class of English law, to which character, I believe, it pretty closely adhered till the time of Sir James Mackintosh, who took a wider range, but gave his instruction an historical rather than a legal cast, dwelling more upon the history of the English constitution than the history of English law, though even that would not have been to the purpose. The present professor, if I may judge by a list I have seen of questions propounded to his pupils, though he has not followed the course of his predecessors, is not much less wide of what I, perhaps erroneously, regard as the proper mark. His questions, for the most part, if what I have seen may be considered a fair specimen, bear on abstract points of moral philosophy and law, and however instructive in themselves, are not so appropriate for young men going to India to settle, pretty much in the way of arbitration, the disputes of the natives, as it would be to show them how the dictates of right reason are to be applied in so peculiar and so important a scene of action.

1068. Considering that the law-class of Haileybury is but one out of many to which all young men are obliged to pay attention, would it be possible in the course of two years, which comprises the whole time of their education, to instruct them

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them to any great extent in the judicial duties which they may have to perform?—I should think not, attending as they do to the other parts of their education at the same time. After all, as the business of judges in India partakes so much of the nature of arbitration, with little guidance from law or established practice, at present, good sense is the best conductor, and the best preparation in the way of education is probably that which is best calculated to give a clear and discriminating mind. If a man has that he soon finds for himself the practical rules applicable to his situation.

1069. Would it be possible or advisable to have any system in India for preparing those who are to exercise the judicial functions; adverting to the circumstance, that if you establish a formal course of education in England, the rule must be, that the writers should choose the particular line of employment in India before they leave this country?—There is undoubtedly a difficulty in this, that those whom you educate carefully for the judicial line should be appointed to it; but the exigencies of the service and the distribution to be made of the existing agents, can be well understood only in India. But there is also a difficulty on the other side. It is only in England that the best teachers are to be had; and it would not be easy to obtain teachers with high qualifications in India. There would be one advantage in having the information bearing on the duties of judges communicated in India; that it would be given at a more advanced period of life, when it is more likely to be well understood and profited by than at the early age at which it would be given in England, where on the greater number it would not make a very deep impression.

1070. Upon the supposition that the writers, or such of them as showed a turn for that, were in this country to receive a course of instruction in the general principles and practice of law, without supposing them to enter minutely into political or local law, would they not be better fitted for most of the employments that would fall to them in India by reason of their having received legal instruction?—Undoubtedly; the instruction which would be useful, peculiar to those who are to exercise the judicial functions in India, would be useful in regard to every other function they would be called upon to discharge; a great deal indeed of what is done by the collectors of revenue is hardly less a judicial function than trying causes.

1071. Should you think the qualifications in this country would be equally attained by providing a system of instruction which the persons in question would be obliged to go through, or by establishing a test which they should be obliged to answer?—My opinion is, that the best mode of securing the qualifications we desire, would be to leave the young men to acquire them where it best suited them, and to establish a test: but I am inclined to make an exception with respect to legal education, because there is no opportunity in England of obtaining it, at least in that form which is appropriate to India. If, therefore, I trusted to the test in all other respects, I should be disposed, if it could be done, to make appropriate provision for instruction on the subject of law and its administration generally, as well as the peculiarities of both in India.

1072. Would it not be consistent with your last answer that a test should be established and should be rigidly enforced, and that an appropriate system of education should be approved of, which would be always resorted to if it was found to be the best means of qualifying for the test?—I think that none but good effects could be expected to flow from such an arrangement.

Lunæ, 2° die Julii, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

IV.
JUDICIAL.

William Empson, Esq.

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William Empson, Esq. called in; and Examined.

1073. WHAT situation do you hold?—I am Professor of Law at Haileybury College.

1074. How long have you held your present situation?—I succeeded Sir James Mackintosh, I think in 1824.

1075. What number of lectures do you give?—The College consists of students classed in four successive terms of half a year each. During his first term the student

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student was not expected to attend law lectures; but in consequence of our diminished numbers, I at present lecture the students of the first term together with those of the second. They attend only one hour a week every Wednesday; the students of the third and fourth terms attend two hours a week; that is, one hour on Wednesday and one hour on Thursday. As the general examinations, &c. leave about seven months in the year for lectures, a student who remains the entire two years at the College receives, in three terms, from 70 to 80 hours of law instruction; during the four terms, about 90 hours, according to my present arrangement.

1076. Is it in the nature of your lectures to prescribe any reading to the students who attend them, or from time to time to examine them as to the progress they have made in the subject on which you have been lecturing?—Observing the extreme state of ignorance on the part of young men of 16 or 17 upon these subjects, I have found it expedient to introduce them gradually to what might be called strict law. The same cause has rendered it desirable to take certain text-books, which, as containing the body or raw material of the lectures, they may afterwards go over by themselves. The advantage of collateral private reading is limited by the shortness of the time, and by the difficulty of putting into the hands of the students any great variety of books of reference. I have varied my courses occasionally, for obvious reasons; but my object has been to give every student an opportunity of obtaining just principles, and elemental knowledge on the limits between morals and law in the case of the chief political and civil rights; on the criminal law, English and Mahomedan; and on the law of evidence. With this view my usual text-book for the first and second terms has been the principal chapters of Paley's Moral Philosophy, with the corresponding chapters in Blackstone. By this means I have constituted a parallel line of observation between the nature and extent of moral duties and legal duties: as, for instance, the moral obligation of government and the legal obligation of government; the moral obligation of property, promises, &c., and the legal obligation of property; of different sorts of contract, &c.; the moral obligation arising from the different public and private relations, and the legal obligation arising from the same, pointing out the difference and the reason of the difference. For the third term my principal text-books have been Lord Kames' Essay on Criminal Law, Dumont on Rewards and Punishments, the last volume of Blackstone, Russel and Archbold, and so much of Harrington's Analysis of the Bengal Regulation as relates to the Mahomedan criminal law and the Regulations of the Governor and Council. For the fourth or last term my text-books have been Dumont's Book upon Evidence, Stephen upon Pleading, and the first volume of Phillips's Treatise of English Law upon Evidence, with the chapters upon testimony in the Mahomedan and the Hindoo law. The above I consider my usual course. In order to vary the subjects, I have lectured occasionally on the English forms of action, with Selwyn's Nisi Prius as a text-book, on Sir Thomas Strange's Hindoo law; and, for the first time, gave the two senior classes, this last half year, lectures on Pothier upon Obligations, and the two junior classes lectures in Domat's Civil Law, relating to succession and inheritance. Respecting the most useful course of lectures, I have inquired frequently of the civilians returned from India what was the best method which they thought I could pursue. I have usually, on their leaving College, requested of the students, who have paid most attention to law, that if, on their arrival in India, they could suggest to me any improvement in my lectures, I should be extremely obliged to them for any communications which they should make to me. It is next to impossible to make lectures upon law popular with the great body of young men. I have from time to time conversed with some of the students themselves upon the subject, in order to ascertain whether any and what alteration in my subjects or mode of lecturing might obtain a greater degree of successful attention throughout my classes.

1077. In consequence of the intimation you have stated yourself to have given to the students that were leaving college, that you would be glad to receive from them any suggestions as to your lectures, have you, in fact, received suggestions from any of them afterwards?—One letter only occurs to me at present, in which not so much suggestion of alteration was made as strong expressions on the importance of the law lectures, and the advantage which had been derived from them, and the daily regret on the part of the writer, that although he was second in my law class, he had not given a greater, and indeed, his principal attention to it. In answer to the latter part of the last question, I ought to mention, that at the end of every month I sometimes ask a few questions, sometimes here and there, upon the subject of the month's lectures. The feeling that the time given for instruction

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is so short, and my desire to get over more ground, have induced me not to do so as regularly as, upon the whole, would, I believe, have been desirable. At the end of each month I report the progress (according to the rules of the college) which I conceive to have been made in law. My monthly report is more conjectural than positive; a guess given from the incidental answers, from the apparent attention, the regularity of attendance, &c. The real examination is at the end of every term. That consists of a *vivâ voce* examination upon the body of the lectures, and of written answers to a paper of printed questions; the one enabling me to check the other. At the end of every lecture I give out a set of questions, the answers to which will be contained either in the lectures themselves, or in the books referred to. The examination at the end of the term is made up principally of a selection of some of the principal points in the previous papers of weekly questions, modified and enlarged.

1078. When you state the number of hours given, you mean the number of hours occupied by attendance in the lecture room; but in order to obtain a proficiency, is it not necessary for that student to take a great deal of time privately upon the subject of them?—The test of *mere proficiency*, as rated at the point, somewhere about which, I understood, it was the intention that it should be left, is sadly low. I should think that a young man of ordinary abilities paying ordinary attention during the lectures, would afterwards soon get up his own note-book, or that of others, sufficiently to attain that test. Considerable more is required for what we call *good* proficiency, and a great deal more for *great*.

1079. Is the time, upon the whole, occupied by the subject of law at Haileybury as great as you believe to be possible, consistent with the attention to other subjects required by the system established at the College?—The students have, within certain limits, an option left them. There are four European departments. A student is allowed to keep his term, unless he fails in more than two of these, whilst the Oriental languages are considered indispensable. The consequence is, that except a student goes out of his way to give law a preference of partiality, against which the other professors are to a certain degree upon their guard, each endeavouring to protect his own department, it is, after all, a very limited amount of law, first principles, and the general bearings, which alone even a good student can possibly acquire.

1080. Consistently with the general system established there, could that portion, on an average, allotted to them be much increased?—Certainly not; the clever and industrious have their hands full, and more than full. Upon a voluntary system like ours, the idle and the stupid will never be brought to give law a preference over the other subjects; it can only hope to get its share.

1081. Are there lectures most days of the week at the College?—Every day in the week except Sunday.

1082. Upon what principle do you frame the questions put to the students at the regular examinations?—The questions, of course, depend on the lectures. The first object in lectures must be, to create in those who attend them some interest in the subject. I consider the lectures, therefore, of the first and second term as introductory and comparatively popular; the subsequent lectures on criminal law and on evidence go more into detail. Lectures may have made a considerable and a useful impression, and the questions upon them may be judiciously prepared, yet after all, it will be but a very small part of what has been learnt which the regular examination can bring out. It is more difficult to give really efficient lectures on law to young men of 17, who have no previous knowledge or interest in the subject, than those who have not attempted it are perhaps aware of. A lecturer is driven to a compromise, and the time of compromise is one of great nicety. If he is minute and technical, young men just come from school cannot follow him; on the other hand, generalities soon become vague and lose the strictness which constitutes law. The questions at the examination fairly represent the heads of instruction which has been put within the reach of the students during the time. Those who have worked hard can show the respective degrees of progress which they have made, and room is left for nobody to complain that he has not had an opportunity afforded him of answering whatever fraction of the lectures he supposes himself to have got up. Criminal law and the law of evidence have been represented to me to be the great practical courses of instruction for actual service; I consequently have passed the two senior terms through them in succession, drawing the attention of the students in the lectures upon the latter subject to the necessity of the method of bringing out clearly in the pleadings the point in issue, and of strictly watching the

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the evidence so as to confine it to the point in issue, with observations upon the credibility of the witnesses, and on the different questions arising out of documentary evidence, with the object of enabling them to apply the principles to cases that may arise. The knowledge and the habit of mind calculated to form a magisterial judgment on these matters is more within the scope of the required and indeed of possible instruction than the talent of conducting a cross-examination. In criminal law I have occasionally explained several of the trials in Phillips's Abridgment of the State Trials, and in the adjudged cases of the Nizamut Adawlut, in order to show the course and the points in which criminal questions practically arise. Considering the extreme technicality of the English law, and also the extreme difficulty of finding what the Hindoo law really is anywhere, and especially in different parts of India; considering, further, the declared impossibility, according to the testimony of the most eminent men in India, that the oldest civilian can sift and adjudicate upon the credibility of native testimony; the more that I have thought of it, the less practicable has the attempt appeared to me to be of usefully labouring in that direction.

1083. Do you think without allowing much more time to the study of law at the College, it would be possible to adapt the instruction given to the young men more closely for the functions which, in case they adopt the judicial line, they will have to exercise in India?—Certainly not; I am quite positive there is not a chance of it. The nature of the case must be kept in view; what it is which has to be taught; the probable qualifications of any attainable teacher; the probable description of person to be taught under a system of patronage, we must remember, and make a proper allowance for the average abilities and industry which a young writer will bring to a lecture room. Under these circumstances, and in so very limited a period as that which is now assigned to law, nothing is left but a choice of the portion of law which can be received. You must give what the student is apable of receiving, and what he is likely to remember. Some time will elapse before he is called upon to apply the instruction; it is, therefore, in choosing the portion, prudent to select principles, both of civil and criminal law, and of evidence of universal application rather than matters of detail.

1084. Have you had any means of knowing how far the legal instruction given at Haileybury has been of benefit in the administration of justice in India?—Not further than a letter or two, and hearing incidental expressions of satisfaction at the attention which some particular student may have given to the law department. If I may add to this question, I would observe, that with respect to the species of instruction to be given by a law professor in England, the state in which the Mahomedan and Hindoo law are left, as far as they are accessible to an English reader, makes it, I think, impossible for a discreet teacher to introduce more Mahomedan and Hindoo law than I have endeavoured to introduce. If legal instruction is to commence with the general principles out of which the different branches of the civil and criminal law are derived, this description of teacher will probably be less readily found in India than in England.

1085. Have you considered whether it would, on the whole, be expedient, supposing the system of sending writers from this country to India, that the writers should previously to their departure select the line in which they are to be employed in India?—I should think certainly.

1086. Or is it better that they should go out with a measure of general qualification, but without any determined department, without having pitched upon the very department in which they are to be attached?—For all other appointments except judicial ones I should conceive that the same general education might apply, and that no necessity for choice would arise. It is quite otherwise in the judicial. It seems to me impossible that a person who has thought seriously what are the duties of a magistrate can have a doubt but that a degree of preliminary information, the habit of considering such subjects, and at least an acquired preference for them, should be formed, before the person is called upon to act, or is put in circumstances where it is impossible for him afterwards to form the character and acquire the knowledge but at the most serious risks. The law is not *prima facie* an attractive study. Some little pains must be taken to lead a person forward, to give him a turn for it, and put him in the way of ascertaining what the difficulties are, and where they lie. Great difficulties must accompany the administration of every thing which can be called law. This is especially true of a system like the Hindoo, where it is often most embarrassing to distinguish between what is merely moral advice, and what is really meant to be positive and binding law.

1087. Your

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1087. Your answer would rather lead to the inference that, in your opinion, the existing system does not make adequate provision for the legal qualifications which are required for the Company's service in India?—I cannot express myself on that point too strongly. I can say truly that I have trembled whenever I have sent out a class, and considered that they were to administer law in India.

1088. On the supposition, then, that there was a greater facility afforded to Europeans to go out to India, and to the Europeans there to attain situations in the Indian service, should you conceive that it still might be expedient to provide legal instruction in this country?—I should think it a scandal in a government which, knowing the difficulties that attend the forming a judicial mind, and acquiring legal knowledge under favourable circumstances, should nevertheless venture to leave its judicial offices to the hazard of finding such men growing on the spot. Whether the instruction should be given here or in India, is one question; that instruction should be given somewhere, is another. Of the necessity of this, in the present state of the Europeans in India, and until a change has taken place in this respect much beyond what I can conceive the free admission of Europeans into India could for a long time possibly produce, I should have thought that there could be no difference of opinion. If Hindoo justice is to be administered *arbitrio boni viri*, it is true that no particular instruction in law will be then wanted; but if it is to be law, as a science and a rule, there are all the difficulties which exist in England, and many more. Unless some provision is made for forming lawyers and judges, to expect that they will go there, and be found by accident as they are wanted, seems to me to be one of the very remote contingencies to which no government ought to trust on so important a subject.

1089. You would of course make exceptions?—Of course there may be exceptions now; more exceptions may arise. I speak with reference to the present state, or nearly the present state, of the service, and to the nature and qualifications of the class of Europeans in India. It will be time enough to enter into the question which a change of circumstances, it is true, may occasion, when it has in fact arisen. As soon as there are men competently qualified to choose out of on the spot, it will be absurd to go to the charge of manufacturing and importing them from England expressly for the purpose.

1090. Can you suggest any improvements in the legal education?—If instruction is to be given, and given in England, of course no comparison can be made between the progress which would be made by students taken on an average, and a student chosen upon a principle of selection. Even with that advantage, and still more in the want of it, it is most desirable that they should be a year or two older, and that a considerably greater portion of time should be allotted to instruction in law. Oriental law has to be put into solid and accessible shape as law. There is nothing in the Hindoo law, and not much in the Mahomedan, which a professor can teach with any comfort, at least as far as I am acquainted with it. If I am asked, on the supposition that the qualities and the age of the student, and that the time given to law remain the same, whether law might not be better learnt elsewhere than it is learnt on the system of the College at Haileybury, I should say that the students in law partake of the advantages and disadvantages of that system. I have always thought that for students of ability and industry it is impossible to improve upon the Haileybury system. For the average, it is itself an average establishment, gaining over some characters what it loses in others. For the idle and profligate, our system appeals to no motive to which they are sensible. The only advantage which Haileybury offers in the instance of a young man of that caste is, the chance that in an extreme case he may be stopped, and lose his appointment altogether. Looking, however, at the course of the same description of persons in our public schools and universities, I apprehend that what is most obnoxious at Haileybury is not so characteristic of Haileybury, either in kind or in degree, as might be expected under our voluntary system. At no place whatever, and under no possible system would it be possible to form legal knowledge or a judicial frame of mind in such individuals.

1091. Are you aware of any seminary in which there is now any course of legal instructions which would qualify young writers for judicial situations in India?—The only law lectures with which I am acquainted that could at all answer the purpose required, according to my view of that purpose, are those given by Mr. Amos at the London University. At Oxford and Cambridge there is nothing of the sort. But Mr. Amos's lectures are principally directed for young men in pleader's offices, or who are destined for attornies. The specific objects consequently

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quently of those lectures, and the appropriate object of instruction in the case of young men about to fill judicial situations in India are so distinct, that it seems to be impossible to at all satisfactorily combine them.

1092. Would it not be possible by the establishment of a test of legal qualification for persons going out to India, with a view to the judicial line, to secure a competent measure of qualification?—I see no difficulty whatever, except that the person who is to give the test must be supported by public opinion in the exercise of it in a very different manner from that of which the professors at Haileybury unfortunately found that they had the protection. For instance, I would draw out a syllabus on the subjects in which the young men were expected to qualify themselves; I would point out the source from which the knowledge was to be obtained. Suppose them to come at the end of 12 months or of two years in order to be examined in the different subjects, with full authority to the examiner or examiners to stop them in case they had not obtained a requisite amount of knowledge, I certainly see no difficulty whatever in the case. The terror of the loss of their appointment acting upon them would be a sufficient stimulus to make the great proportion acquire the knowledge, although they were not living under the instruction of a particular teacher.

1093. If an opening were made by which the ascertained qualifications of young men should be itself the passport to India, would or not that security be a better qualification than the system where the young men are first elected?—Certainly; for this is at once a principle of selection. At the same time the deficiency which I have felt at Haileybury has not been that the best students have not paid as much attention and made as much progress as almost a principle of selection could have secured to their respective departments, law amongst the rest. I have been surprised often at their merit. Our misfortune has been that we have had no inducement to bring to bear on the inferior order of students. It is a notion which I early took up, and which I have once or twice suggested, that the only way to meet this difficulty is to give the professors a liberal power of distinguishing in minor cases of demerit. What is wanted is some form of secondary punishment. After all, the evil to be apprehended is, not that they would exercise the powers too hastily, but too slowly. My notion was, that a certain proportion of the students who were at the bottom of their term should not keep their civilian appointment, but that they should drop down as of course to some inferior situation in the service. This would give us a hold on the inferior portion of a term, over which at present we have no hold whatever. They drive as near as they can. Such a power would enable us to whip up the lagging portion of a term. Suppose that sort of power to be withheld us, the advantage of a general certificate over our actual system would tell, in case it were high enough, by securing the exclusion of that portion which we have been obliged to allow to pass. None would be sent out so bad as some which we send out at present. Unless, however, the law students are older, and have more time than at present, I do not expect the improvement will be so great in the qualifications of the most distinguished, as, before my experience, I should have assumed as certain. I conceive that no certificate could reasonably be put higher than the point which the best students at Haileybury have attained in the law department.

1094. Is there anything in the present system which makes it obligatory on the professors to send out young men who, in their opinion, are not qualified to go?—I should say, certainly there has been felt to be in the College a moral obligation of that description. I have unfortunately, much to my suffering, acted upon it. When I came to the College it would have been very misplaced in me to act on crude notions of my own; I talked with the professors of long standing, to get, as it were, a map of the country. Their account to me was, "We have been for 20 years raising the standard in the College, both in respect of conduct and attainment. We have now got it to a point which, if not answering entirely to our wishes, is nevertheless, on comparing it with what it was in the beginning, highly satisfactory. You must not expect too much; you must consider the difficulties of the case, and recollect what is expected from the young men in other departments as well as your own. The system is one of qualified patronage. The unfitness which is to disqualify must not be tried by a severe scale. The College is not understood to have been founded for the purpose of exclusion but in extreme cases. In all our exercises of this authority, when a discussion has arisen between us and the parties concerned, the public has taken this view of it, and sided with the individual whose appointment was endangered. Your predecessor observed, that the College on these occasions had

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had every thing against it except justice." Consequently, I adopted and maintained as a minimum, as near as I could, the common standard. The dilemma in which the College is placed is one of great hardship. If we exercise the power which we ought to exercise on the part of the public, a storm of indignation is let loose upon the College, such as no other place of education ever was exposed to, and which must have a mischievous effect. Out of doors every body takes up the cry. Our only support is in the individual directors who happen to know the merits of the case. In case we do not exercise the power, and young men imperfectly qualified go out, remonstrances come home from India, that the College does not answer its purpose. It would certainly limit the patronage considerably. But I have always thought that our standard was as a minimum much too low. I know of no remedy of the present system except that the professors should be entrusted with a very considerable discretion in raising it; without such an understanding, I certainly do not expect that any professor (myself for instance) can calculate upon very much improving his own department.

1095. Do you mean to say that the general opinion and feeling of persons connected with the present Indian system are such that the professors cannot effectually exercise that power of selection which by theory you possess?—I certainly say so. Their experience unfortunately convinces them of it.

1096. In what way?—By finding the extreme unpopularity, the extreme odium to which they were subject; the cry that was set up over London, and the apparently worse than indifference of the public; every body joining in the observation, it is extremely hard that young men should lose their appointments for indiscretion, for idleness of a certain description; very hard that parents should be put to the necessity of the expense of an additional year's education, and so forth. One of the practical advantages in the management of the discipline, for instance, of the College which arose from the creation of the London Board, has been, that it enabled us more freely to send away young men who were just keeping within the verge of a positive statute or the like. In my own department I have constantly let young men pass who I think ought not to have passed, because I understood that the average had been raised, and raised, and raised much above what it had been formerly, and that we had got it as high as the parties to the contract at the establishment of the College, both the Company and the public, either meant or would consent that it should stand. I therefore have all along felt that I had no business to put my department higher, and exact for the law class terms which my colleagues did not exact; I was to take my place with the rest. The public cannot complain that the College has deceived them, by affecting to be a higher security than it has known itself to be. When cases of misconduct were stated and brought before them, the College was almost overturned by the tumult and irritation which was raised (this was before my connection with it), because the professors had done their duty. There is a letter of Sir Thomas Munro's, printed in his works, in which he observes, that he agrees with his correspondent on the extreme hardship of young men losing their appointments for the idleness and errors of youth, since they may afterwards turn out very valuable public servants. I remember observing upon the letter that it was a greater hardship upon the young men and their preceptors, that parents and governors of presidencies should join in a moral destructive to all education and discipline whatever. I do not see how the managers of a place of education are to support it against the observations of a man of Sir Thomas Munro's qualifications. If we are to be of any use, it is as a check; if we do at last take issue with young men on a certain degree, either of stupidity or idleness or vice, and give them notice that that appointment must be the forfeit, and governors of presidencies interpose with the plea of hardship, the possibility of latent qualities and final reformation, no establishment can answer the objects of moral and intellectual instruction which such establishments, whether at Hayleybury or elsewhere, are ordinarily expected to answer.

1097. In point of fact, are you able conscientiously to say, that the standard of qualification (I put this as a general question), are you able conscientiously to say, that the standard of qualification at Haileybury has been raised as high as, considering the difficulties with which you have stated the institution to have contended, was practicable?—It is my decided impression and understanding that this is the fact. In making these observations, I ought to add, that my connection with the College is somewhat looser than that of my colleagues, as being a non-resident professor. During the greater part of the year I only go down to give my lectures. It is my rule, therefore, in questions connected with the system, to a very considerable

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able extent to put myself in the hands of persons of great experience and character, who have been in the institution from its foundation, and upon whose judgment and upon whose integrity I can most confidently rely.

1098. Should you not conceive, that the complete loss of an appointment might in some degree be obviated by the plan to which you refer, by letting it fall to something inferior, but not a complete loss in the service?—The loss might be partial instead of total. Many a young man might make a very good soldier who would make a very bad lawyer, a very bad judge.

1099. Do you know whether the Board of Examiners has been as successful in qualifying young men for different situations in India as Haileybury?—I should think decidedly not. From what I have heard upon that point incidentally, I believe that the Examiners of the Board would give a very decided opinion to the same effect. There is no law standard, none in political economy; and the standard in classics, &c. for *passing* I have understood to be about the same as our standard for *admission*. We may have passed at Haileybury young men who, on the whole, are likely to make as indifferent civil servants as any who have been passed at the Board. But I cannot think it possible that the effect of successful education should so far go for nothing, that, after the usual allowance has been made for extraordinary exceptions, the Board has with its lower test, and the other circumstances of the case, sent out, on the average, young men as good as our average, or has had anything like proportion corresponding to our best.

1100. If an examination for legal qualification were established, and there were perfectly free admissions of candidates to contend under that examination for the appointment of a writer, do you think that any great improvement would take place in the qualification of those going out to India?—Of course that must depend upon the amount of legal knowledge required in the certificate, and the freedom with which the examiners are encouraged, or at least supported, in the exercise of it. Compared with the present result, I think (other things remaining the same) that it would probably act much more by raising the standard of the lower three-fifths, than of raising the standard of the two-fifths at the top. You would probably have no such bad men pass as pass at present; but you must not expect more, unless the age is altered, or unless the legal department is put on an entirely different footing from what it is at present, and disconnected from the certain amount of Oriental knowledge with which it is now bound up. As long as the Oriental knowledge is a condition to an appointment, and must be verified before the appointment is secure, persons who look to it must first take themselves out of the European market, and devote themselves at once to the East without reprieve; you would not find a great number of persons to do that as it were blindfold; there must be something more than a conjecture or probability of future appointment as an inducement.

1101. Do you mean to say that under the supposed system the best candidates would not be better than they are now unless they were older than they are now, but that the general qualifications would be much improved?—Certainly; the general qualifications might be expected to be much improved.

1102. Would it be possible to open the College at Haileybury so as to make it a general seminary of instruction?—That depends very much upon how far the education which is meant to be given for the Indian service is to be a special education, with reference to special objects. In an attempt to combine the two, the problem would be not to leave out of the preparation for the Indian service any thing which it ought to include of those things which can be taught to greater advantage in this country than in India, and yet preserve such a general system of education as a young man not going out to India would be likely to consider was better for general purposes than he could elsewhere acquire. I am afraid there would be a difficulty.

1103. Is there any special subject of instruction except the study of the Oriental languages?—No, none except the Oriental languages, and a sprinkling in my own department. The references to Oriental law take up less than a fourth of a term in the two senior classes, and little in the junior.

1104. But if it were a general seminary, and with more choice to the students to select departments for which they had a particular taste, or for which they were supposed by their friends to be particularly qualified, to the exclusion of other departments, would it not be possible to have a system of legal instruction, the greater part of which might be beneficial for persons not destined for India?—Certainly. My only fear would be this, that it would be in vain to expect that law, or the other branches of more common pursuits should be carried on to a suffi-

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cient extent and with sufficient rapidity. A deduction must be made for the Oriental departments. The Oriental professors calculate on two entire days out of the six; part of the other days are also given to Oriental learning; consequently the European professors have to draw up and wait as it were during that time; consequently students not following the Oriental department would rest on their oars those days, and it would be difficult to go on with them, and arrange for the Indian students to overtake them, or fall in.

1105. Would not that be a mere matter of arrangement?—There would be great difficulty in the arrangement. Besides, observe the age at which the students are required to come with whom the other young men would have to mix, and to whose capability, &c. of instruction, they must accommodate themselves. It is beyond their public school age; it is the age at which they are going to or would be at the University. We can expect few, unless those who came in order to give their whole time to law. Considering the great success of Mr. Amos, and the greater aptitude of his course for English practical purposes, few persons would come to Haileybury for law only.

1106. Do you conceive it essential to the education of civilians in this country that they should be taught the Oriental languages?—I can only answer from the conversation which I have had with Oriental professors and civilians: I should say, certainly not indispensable; at the same time it is desirable that they should have beforehand some grammar, and the elements of the Oriental languages, that they might not be detained so much longer at the Presidencies before they are fit to enter on the service.

1107. Is the Oriental language carried further at Haileybury than the point which you deem essential?—From the ability and zeal of the Oriental professors, I have no doubt that it is so. I am quite sure that they endeavour to make the most of their department.

1108. Do you think that the civilians should be older before they go out?—Certainly.

1109. Whereabouts would you fix the age?—I know of no reason why the judicial servants should go out younger than the medical servants of the Company. I have felt that one year additional was extremely important at that age. I have begged hard for it. It was considered, however, that a great deal had been conceded by averaging 16 as the minimum age; in point of law, and by throwing in generally one year more, in point of fact, the average age is 17. It is a great disadvantage, particularly in such a subject as law, to be obliged to lower the pace and keep down the quality of instruction under the point at which the kind of instruction which a lecture can give must be given most satisfactorily to all parties. Besides, the ordinary objections of the Haileybury system tell so much the more in proportion to the youth of the student.

1110. In what way do you conceive that an open system might best be made to secure the maximum of qualification, the greatest possible measure of qualification in a young man going out to India?—The qualifications you want are both moral and intellectual. Let an option (according to the vacancies) be given to the young men who have distinguished themselves at our public schools or universities, of those who have made the option, let a certain amount of knowledge in law, and, if you please, in political economy and the Oriental languages, be required, there can be no doubt but that, if the terms of the option are properly watched, a much higher degree of moral and intellectual education on the whole will be obtained than any system of patronage can secure.

Veneris, 6° die Julii, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

Sir *Alexander Johnston*, called in; and Examined.

Sir *Alex. Johnston*.

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1111. HOW long were you in India, and what offices did you fill there?—I was sixteen years in office on Ceylon: during that time I held different situations of trust and responsibility under the Crown; for ten years I was Chief Justice, First Member of the High Court of Appeal, and President of His Majesty's Council.

1112. Were you ever on the continent of India; in what part, and for what time?—During the whole of the period I was in Ceylon I directed my attention very

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very much to a consideration of the nature of the government of the laws, and of the administration of justice in the peninsula of India; and with a view of becoming locally acquainted with the circumstances of the country and the character of the people, I made two journies by land from Cape Camorin to Madras and back again, the one in 1808 and the other in 1817.

1113. Had you any and what opportunities of personally observing or inquiring into the administration of justice in the peninsula of India?—I attended the proceedings of the different courts of justice, and I conversed upon the subject with several of the judges.

1114. Judges of the Company's courts?—Yes; and with the best informed of the natives of the country.

1115. It is understood that you were mainly instrumental in introducing into the administration of justice on Ceylon considerable alterations, especially as affecting the natives of that country?—As soon as I became Chief Justice, and First Member of His Majesty's Council, in 1806, I felt it to be my duty to state it officially as my opinion, that the surest way of retaining Ceylon and the rest of our Indian possessions was to admit the natives of the country to a share in the government of the country, and to allow them to administer justice to their countrymen. I also felt it to be my duty to state it officially as my opinion, that all laws by which they were to be governed ought, before they were passed, to be discussed and assented to by assemblies or councils in which all the interests of the different classes of natives were adequately represented. With this view of the subject, I advised the government of Ceylon to adopt various measures, and at the request of the Governor and Council I came to England in 1809, for the purpose of inducing the then Colonial Secretary of State to authorize those measures to be carried into effect. The late Marquis of Londonderry, who was then Colonial Secretary of State, entered fully into my views, and determined that all the measures I had advised should be carried into effect. However, his Lordship, in consequence of his sudden resignation of office in 1809, was only able to carry into effect before his resignation such of the measures as were necessary to introduce trial by jury amongst the natives of the country, to take off the restrictions which prevailed against Europeans holding lands and settling on Ceylon, to emancipate the Catholics in the island from the disabilities under which they had laboured for 150 years, and to encourage the gradual abolition of domestic slavery throughout the country; these four measures had formed part of a general plan which I had previously proposed to the late Mr. Fox for the improvement of the condition of the people of India. In the year 1802, when I was about to leave England the first time for Ceylon, I had various conversations on the subject of India with that gentleman, and in consequence of the request that he made to me at that time, I sent home to him in 1806 a paper containing some observations which I had drawn up on the alterations which I thought advisable in the administration of justice and in the government of the East India Company's possessions on the continent of India. This paper was given to him by a relative of his and mine in the year 1806, when he was at the head of the administration, and I received an intimation from him through the same relative, that he approved of all the measures which I had proposed. If the Committee wish, I will produce a copy of this paper. Twenty-six years' experience, and a constant attention to the affairs of India, convince me that the measures which I then suggested are the most efficient which can now be taken for securing permanently the British authority in India.

1116. Are there any and what accessible documents, showing the measures which in fact have been introduced into Ceylon by your means, and the results of them upon the interests of that island?—Yes, there is a paper which was drawn up by a friend of mine in 1826, which contains a very full statement of all the different circumstances connected with the introduction of trial by jury into Ceylon, and a copy of the letter which I wrote to Mr. Wynn in 1825, when he was President of the Board of Control, giving him an account of the reasons for which I had extended the right of sitting upon juries to the natives of that island, and of the effects which that measure had produced. It was upon this letter that Mr. Wynn, in 1826, introduced the Act for extending the right of sitting upon juries to the natives living within the local jurisdiction of the supreme courts of Bombay, Madras and Calcutta.

1117. Speaking both from the personal observation and inquiries which you have made respecting the administration of justice in the peninsula of India, and also from the attention you have subsequently bestowed upon the subject, have you any

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any remarks or opinions to offer as to the judicial system there established, either with reference to its constitution or its practical effects?—The late Marquis of Londonderry having, after my last return from India, requested me to draw up for his use a statement of what I conceived might be an improvement in the system of administering justice in the peninsula of India, I gave him such a statement in 1822, and beg leave to refer to it. In it I confined my observations to the British territories under the presidency of Madras, having at that time been more acquainted with them than I was with those under the presidencies of Calcutta and Bombay. I, however, beg leave to add, that subsequent information leads me now to think that what I then proposed for the territories under the presidency of Madras is also, with certain local modifications, applicable to the territories under the presidencies of Bengal and Bombay.

1118. Have you any suggestions or improvements to offer which are not contained in that paper?—The paper which I sent to the late Mr. Fox in 1806, that which I gave to the late Marquis of Londonderry in 1822, and that which was drawn up by a friend of mine in 1826, contain a general view of the several measures which I think necessary for the improvement of British India. As the Committee have requested me to give them in evidence, I beg leave to refer to them, and to add, that my original plan was to try all the measures advised by me in the first instance on Ceylon, and if they succeeded in that island, then to introduce them into the continent of India. The principal objects of these measures, in as far as they relate to the administration of justice, is to frame a special code of laws for British India; to abolish the distinction which now prevails between King's and Company's courts; to introduce one uniform system for the administration of justice throughout British India; and to establish a supreme court at each of the three presidencies in India, and a high court of appeal in England for the purpose, under the vigilant superintendence of both Houses of Parliament, of constantly securing the efficiency of every part of that system.

1119. Do you advise that the half-castes should have the privileges of British born Europeans?—Yes.

1120. Do you mean that they should be admissible to the places now held by the Company's covenanted servants?—Yes.

1121. How would that interfere with the regulations of the Company's service, by which writers are appointed in this country to go out to India for the purpose of occupying situations there?—I mean that half-castes should be deemed eligible to writerships in this country in the same way in which European born British subjects are now eligible.

1122. On the supposition that Europeans were more extensively admitted to reside in India, would it or would it not be desirable that situations which are now held by the Company's civil servants should be opened promiscuously to European or half-caste residents in India?—I certainly think it highly advisable that Europeans who are established in India, though not in the civil service, should, if they be properly qualified, be eligible to any of those situations.

1123. Will you explain more fully the plan which you have suggested for uniting in one system the King's and Company's courts in India, and subjecting them all to the superintendence of the three King's courts at the presidencies?—As my view of the subject is explained in the papers to which I have already alluded, I beg leave, by way of saving the time of the Committee, to refer to them.

1124. Have you considered the comparative merits of the present system of judicature in India, and that of which you recommend the substitution in the article of expense?—I have considered it generally; I think the system I propose will not be so expensive as the present system.

1125. Are you able to state why it would be cheaper?—Yes; because, independent of other circumstances, a great part of the system proposed by me for the administration of justice will be carried on by native judges, who require smaller salaries than European judges.

1126. Would you recommend any systematic provision for the purpose of qualifying those who are to fill judicial situations under your plan?—I should recommend that all Europeans who are destined for judicial situations in India should receive in this country, previous to their going to India, a regular education adapted to the judicial situations which they are to fill.

1127. If a test of qualification were rigidly enforced, would that answer the purpose?—I think it would, provided the persons who are to apply that test are men who themselves have had judicial experience in India.

1128. Would

1128. Would there not be a difficulty in finding means of qualifications, if the candidates were to be left to discover such means for themselves?—Yes; I should recommend the establishment of professorships for the purpose at one of the English universities, in the same way as professorships are established at Edinburgh, for the purpose of educating young men for the Scotch bar.

1129. Might not some use be made of the institution at Haileybury for the purpose in view, even supposing it to be discontinued in other respects?—Certainly.

1130. Will you state what is your opinion as to the merits of the proposition recently made from Bengal for the establishment of legislative councils in India?—I think that the formation of such councils in British India is highly advisable. I, however, think that a certain number of the most distinguished natives of the country ought to be admitted as members. I am convinced that the admission into them of native members is the surest way of rendering those councils efficient, popular, and beneficial to the natives of the country.

1131. Have you considered in what way such natives should be selected or appointed for the purpose in view?—At first, considering the novelty of the institution, it may be necessary for Government to select the native members. Measures should, however, I think be immediately taken by Government for forming an enlightened body of constituents amongst the natives of each province, and for calling upon them in future to elect the native members of council from their own body. In the eastern province of Ceylon the experiment of having a native council was first tried in the year 1783, by the then Dutch government. The great advantages which had been derived by that province from having such a council led me, in 1806, not only to propose its revival in that province under the British Government, but also to recommend that similar councils of natives should be formed in every one of the British provinces on Ceylon. I conceive that the natives of Bengal, Madras and Bombay are not only not less competent, but are, generally speaking, more competent for becoming members of such councils than the natives of Ceylon. The whole of India had been governed, for upwards of 2,000 years before the arrival amongst them of Europeans, by natives of the country, and had attained very great perfection in arts, literature, agriculture, manufacture and commerce; it is therefore to be inferred that the natives are just as competent as Europeans can be to legislate for their own wants and their own country.

1132. Considering that the form of the British Government now established in India is in so great a degree despotic, do you conceive that the natives are yet ripe for so great a change as should introduce them to the highest places of government?—The native population of British India consists, amongst others, of natives of high caste, high rank, great wealth, great talents, and great local influence, most of whom would, if a native instead of an European government prevailed in India, hold the highest offices in the state. I conceive that it is a great political object to attach such a class of natives to the British Government, and that the most certain way of doing so, is to declare them, even under the present system of government, to be eligible to some of the higher offices of state.

1133. How would their exercise of such authority comport with the maintenance of the British supremacy?—If they knew that the offices and the honours which they held depended upon the continuance of the British supremacy in India, they are more likely to support that supremacy with all their influence in the country, than if they felt, as they do at present, that they have no such offices and honours to lose by the overthrow of that supremacy.

1134. Would you then render natives eligible to the situations, or any of them, now held by the Company's covenanted servants?—I would render them eligible to all judicial, revenue and civil offices. Even now, by a recent regulation, they are appointed to fill very high judicial situations.

1135. By the regulation to which you refer, the natives being eligible to judicial situations for the decision of suits of the value of 5,000 rupees, do you see any reason why they should be limited to that value?—None whatever.

1136. Would not, however, the general admissibility of natives to the situations of the Company's service wholly break up the system of patronage by which those situations are now filled?—If it should be thought necessary to keep up this system of patronage, the situations to which natives are declared to be eligible may be limited, both as to their amount and as to their nature.

1137. Are you of opinion that the judges at the presidencies should be members of the legislative councils?—The judges of the supreme court in Ceylon are members of the King's Council on that island. The object in placing them in council

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council is, that they may, from their knowledge of law, advise the Governor and Council upon all points of law connected with the different questions that come before the Council. In the same way the judges at Calcutta, Madras and Bombay, may be extremely useful as members of the councils at those presidencies. As the King's judges are independent of the local governments, they are likely to give those governments more independent advice upon subjects, in which the feelings of government are concerned, than persons who are dependant upon those governments for their promotion.

1138. You have spoken of "numbers" of the natives being members of the legislative councils; what in your opinion should be the number of counsellors?—Such a number of them as may induce the natives of the country to believe, that the interests of all the different classes of natives are fairly and adequately represented in those councils.

1139. Would you have the majority of the Council natives?—That I think must depend upon the nature of the powers with which these legislative councils may be ultimately vested.

[*The Witness was requested by the Committee to furnish the Committee with Copies of the Papers which he had tendered in the course of his examination.*]

Jovis, 9° die Julii, 1832.

THE RIGHT HON. ROBERT GRANT, IN THE CHAIR.

Sir *Alexander Johnston,* called in; and further Examined.

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1140. YOU have brought with you a Paper which you promised to the Committee last time?—Yes.

1141. And which you stated that you had communicated in the year 1806 to Mr. Charles Fox?—Yes; (A.) is a copy of the Paper which I sent to Mr. Fox from Ceylon in 1806; (B.) a copy of that which contains a detailed statement of all the different circumstances connected with the introduction of trial by jury and the abolition of domestic slavery on Ceylon; (C.) a copy of that which I gave to the late Marquis of Londonderry in 1822, and (D.) a copy of that which I gave to Mr. Wynn, then President of the Board of Control, and to some of the other members of the Privy Council in 1826, upon the subject of the appellate jurisdiction of the King in Council, in cases of appeal from the supreme and sudder adawlut courts in India.

See Paper (A.) See Paper (B.) See Paper (C.) See Paper (D.)

1142. On your former examination, you suggested that a general code of laws should be framed for India, which should be adapted to the different religions that prevail in that community; have you at all considered what means should practically be taken for framing and adopting such a code?—I should propose that the plan explained by me in (A.) should be adopted for that purpose. I followed with success a similar plan (*vide* E.) while in Ceylon, for collecting materials for framing a Hindoo and Mahomedan code for the use of the Hindoo and Mahomedan natives of that island; and I am of opinion that such a code as I have proposed for the use of British India in (A.) may be completed in the time I have mentioned in that Paper.

See Paper (E.)

1143. That is three years?—Yes.

1144. Have you any suggestions to add to those contained in your Paper, respecting appeals to the King in Council from India?—I have only to add, that measures ought immediately to be adopted for relieving all the parties to the appeals, which have been so long pending before the Privy Council, from the great expense and inconvenience to which they have been subjected by that delay. In order that the Committee may know what measures it may be advisable for them to adopt, I shall beg leave to explain to them the nature of those which have already been taken upon the subject. In 1809, the late Marquis of Londonderry, then Secretary of State for the Colonies, when he appointed the Chief Justice, First Member of the High Court of Appeal, and President of His Majesty's Council on Ceylon, being fully aware of the defects of the constitution of the Privy Council, considered as a court of appeal from the courts in India, and knowing that the offices which I held would enable me to become thoroughly acquainted with the subject, expressed a wish that I would give it, while on Ceylon, the most mature consideration, and when I returned from that island, report my opinion to him as to the

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the best mode of rendering the Privy Council an efficient and expeditious court of appeal for hearing cases in appeal from India. In order to enable myself to acquire all the necessary information, I, previous to my departure from England in 1811, with the assistance of the late Mr. Chalmers, then one of the clerks of the Council, examined the nature of all the proceedings which had taken place from the earliest period before the Privy Council, in cases of appeal, from all the British colonies, and made copies of the opinions which all the Crown lawyers and judges had at different periods given upon the question; and during my stay on Ceylon examined most attentively all the proceedings which took place in India in cases which were appealed from the three courts of sudder adawlut in that country, to the King in Council in England. In 1822, I, after my return from Ceylon, at the request of the late Marquis of Londonderry, gave his Lordship, as I have already mentioned, the Paper of which (C.) is a copy. As the Marquis died soon after, no steps were then taken for carrying into effect any of the measures which I had proposed in that Paper: one of them was the measure for calling in aid of the Privy Council, whilst sitting as a court of appeal in Indian cases, a certain number of the retired King's and Company's Indian judges. In 1825, on my attention being again directed to the subject, I found that in consequence of a variety of different circumstances, particularly of the ignorance of the natives of India as to the mode of prosecuting their appeals before the Privy Council, scarcely any appeals whatever from the courts of sudder adawlut, in which natives of India only were concerned, had been heard and decided by the Privy Council since the year 1799, and that nearly 50 cases, some of which were of great private and public importance, were in arrear, and had become a cause of great expense, great inconvenience and great dissatisfaction to all the natives of India who were in any way connected with them. In 1826, knowing, as I did, that it was the Marquis of Londonderry's intention, had he lived, to have advised His Majesty's Government to adopt the measure I had proposed relative to Indian appeals, I felt it to be my duty to call the attention of the Board of Control, and some of the members of the Privy Council, to the subject, and with that view drew up the Paper of which (D.) contains a copy, explaining to them the nature and extent of the appellate jurisdiction of the King in Council in cases connected with British India, and pointing out to them a mode by which the Privy Council itself might be rendered, without any additional expense to the public, a most efficient court of appeal for all Indian cases. In order to facilitate the proceedings of such a court, and to enable the Privy Council to decide without any further delay upon the cases which had been so long in arrear, I, in pursuance of the plan contained in the Paper (D.) suggested to the then President of the Board of Control the utility of employing Mr. Richard Clarke, a retired civil servant of the East India Company, well acquainted with the proceedings of the Company's courts in India, as a registrar for Indian appeals in this country, an office which will afford the Privy Council the means of acquiring without delay a thorough knowledge of the nature of all the different cases which may be appealed from India, and of deciding upon each case, if the parties require it, without putting the parties to the expense and delay of being heard by counsel. Mr. Clarke having, in consequence of my suggestion, been employed by the Board of Control in communication with the Court of Directors, and having completed an analysis of the several cases of appeal now in arrear, the present President of the Board of Control, with the most laudable anxiety to relieve the natives of India from the grievance which they have so long suffered, and to prevent for the future all unnecessary delay in the hearing of Indian appeals in this country, in March last, requested Sir E. Hyde East, the late Sir James Mackintosh and myself, to assist him with our advice upon the subject. The Paper (F.) contains copies of the letter which Mr. Grant wrote to me upon the occasion, of my answer, of the joint opinion of Sir E. Hyde East, Sir James Mackintosh and myself, of a letter which I subsequently wrote to Mr. Grant, and of a paper which I enclosed in that letter, explaining to him in detail all the different measures which I, after consulting with Mr. Clarke upon the subject, thought necessary to be adopted in India and in this country. These papers have, I understand, been forwarded by the President of the Board of Control to the Privy Council, and are now under their consideration.

See Paper (C.)

See Paper (D.)

See Paper (D.)

See Paper (F.)

1145. It has been suggested to the Committee, that instead of allowing an appeal to the King in Council from India, there ought to be constituted in India a final court of appeal from all the different judicatures there established; what is your opinion of that suggestion, comparing it with the plan which you have recommended?—I think that the court of appeal, if established in England according to the

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the plan I have proposed, will be a more competent, a more independent, a more popular, and a less expensive court of appeal than any which can be established in India. A more competent one, because it will be composed, which it could not if it were established in India, of the most efficient of the King's and Company's judges who have retired from the service, after having held for many years the highest King's and Company's judicial situations in India, and who must possess more judicial and local information than can be procured from any other persons relative to every part of India. A more independent one, because it will be composed, which it could not if it were established in India, of men who have retired from the service, and are independent in their circumstances, and who therefore can have nothing to fear or to hope either from the local government or from persons high in authority in India. A more popular one, because it will, from being connected with the Privy Council, and from being supported by an enlightened British public, be able, which it would not be if it were established in India, effectually to shield against every unjust and party attack those Indian judges who may feel it to be their duty, however detrimental to their local interest and to their comfort in society, to protect the natives of India against any description whatever of arbitrary exaction or oppression. A less expensive one, because it will be composed, which it could not be if it were established in India, of judges of talent and experience, who are to receive no pecuniary remuneration whatever as judges of the court of appeal. To avoid all unnecessary delay and all unnecessary expense, I should propose, if such a court be established in England, that a person thoroughly acquainted with the nature and proceedings of the King's and Company's courts in India be appointed registrar of the court in this country for Indian appeals. That all the appeals and all the papers connected with them be sent direct from the courts in India to this office. That it be the duty of this officer, as soon as he receives the papers in each case, to arrange them and make a report upon them to the court. That it be the duty of the court, after perusing the papers, to decide upon them without delay, hearing counsel or not in each case, as the parties interested in the case may require. If these rules be adopted, the result of every appeal to England may be known in India in 10 or 12 months from the date at which the appeal papers were originally forwarded from India to England, and the only objection, that of delay, which is urged with any weight against the court of appeal being established in England, will be effectually answered, and all grounds removed for depriving 80 millions of His Majesty's subjects in India of the right of appealing to the King in Council in England, which every British colony in every quarter of the globe has already possessed, which they themselves have enjoyed for the last 60 years, and which is of peculiar importance to them in the present times, when in consequence of the great progress which they are making in knowledge, and of the enlightened views which they are beginning to entertain upon all questions of law and government, they are more in want than ever of the protection of an independent court in England, whose proceedings will always be subject to the observations of an active press and both Houses of Parliament.

1146. Your answer seems to imply the continuance of the present system; in other respects how far would you modify your opinion, on the supposition that such a change was to take place as to introduce into India an extra number of European residents, to create a local public of greater influence and efficacy than now subsists in that country, and in other ways to supply both more materials for an appellate court and a more efficient control, by means of a public supervision over the proceedings of such court?—My opinion is certainly formed upon a consideration of the present state of society in India: many years must pass before it will be advisable for the natives of India to relinquish the right which they now enjoy of protecting themselves against injustice, by an appeal to the King in Council in England.

1147. Supposing a general code to be framed, what means would you recommend to secure a due application of it among the natives of India?—I should advise that it be translated into the most common languages of India, and that its nature be publicly explained to all the people of the country by public officers appointed for the purpose.

1148. Would it be necessary, in framing such a code, to consider very particularly the state of the different communities now in India, not being Europeans?—It will be necessary, in framing such a code, to consider most carefully the laws, usages and feelings of the natives of all the different castes and of all the different religious persuasions which prevail in India.

1149. How

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1149. How far are the Catholics in India recognized by the local government, or in connection with it?—As I have been recently engaged, as Chairman of the Committee of Correspondence of the Royal Asiatic Society of Literature, in collecing information relative to the state of all the Catholics in India, I have in the course of my inquiries received a very interesting letter upon the subject from the Abbé Dubois, a priest of the Catholic religion, who has been 31 years in India, and is thoroughly acquainted with the state of the Catholics in India: I beg leave, in answer to this question, to refer to the Paper (G.), which is a copy of that letter.

See Paper (G.)

1150. Would it be expedient that any control should be used by Government over the ecclesiastical appointments among the Catholics in our dominions?—I think that, considering the number of the Catholics who are now in the British territories in India, some arrangement ought immediately to be made upon the subject, by the British Government and the Pope. I think it my duty to add, that the conduct of all the native Catholics who were within my jurisdiction while I was Chief Justice and President of His Majesty's Council in Ceylon, was such as to convince me, that whenever the Catholic natives in India are properly superintended, as they are in Ceylon by their priests, they will always form a most loyal and a most respectable class of His Majesty's subjects in that country. The number of native Catholics in Ceylon is upwards of 100,000, and in the course of the whole of my judicial career in that island I observed that fewer offences were committed by natives of that religious persuasion, than by natives of any other religious persuasion whatever on the island.

1151. Have you any suggestion to offer as to the expediency of having a maritime code for the use of the natives or Europeans navigating the Indian seas?—I beg leave, in answer to this question, to refer to the Paper (H.), which is a copy of the plan which I some years ago gave to the Admiralty, for framing a maritime code for the use of all the different natives of Asia who navigate the Indian seas, and who trade with the several British possessions in India. This plan was formed by me, upon the information which I had previously collected while I was Judge of the Vice-Admiralty Court on Ceylon, relative to all the maritime laws and usages which had prevailed at different times amongst the Chinese, Hindoos, Persians, Arabians, Malays and Maldiwan navigators and traders. I shall soon be able to obtain further information upon this subject, as I am engaged at present, as Chairman of the Committee of Correspondence of the Asiatic Society, in collecting from every part of Asia all the documents which can be procured relative to this description of law, for the use of Monsieur Pardessus, the celebrated French lawyer, who is about to publish a history of the maritime laws and usages of every quarter of the globe.

See Paper (H.)

1152. Have you turned your thoughts to the subject of domestic slavery in India, and would you offer any suggestions on that subject?—I felt it to be my duty, from the time of my arrival on Ceylon, to adopt such a line of policy in my official capacity as would, I thought, inevitably in a short time put an end to the state of slavery in that island. Having, on my return from England in 1811, as Chief Justice and President of His Majesty's Council, brought out with me the Act of 1811, declaring the trading in slaves to be felony, and a commission authorizing myself and certain other commissioners to try all offences against that Act with a grand and petty jury, I caused the Act to be publicly promulged upon the island, and a case of importance having occurred in 1813, all the prisoners, one of them a man well known throughout Arabia and Asia, were tried and convicted before me, which called the attention of the people to the nature of the offence, and prevented the commission of any more offences of that description. In consequence of the proceedings at this trial, and the remarks which I made upon the subject of slavery at all the criminal sessions, to the persons who were on the roll of jurymen, much interest was excited, and all the proprietors of domestic slaves, to the number of 763, natives as well as Europeans, came to a resolution in July 1816, declaring that all children born of their slaves after the 12th of August 1810, should be considered as born free, and thereby put an end to the state of domestic slavery which had prevailed in Ceylon for 300 years. The Paper, of which (I.) is a copy, contains the details of what took place on the occasion. I have, since my return to England, been engaged, as Chairman of the Committee of Correspondence of the Royal Asiatic Society, with the assistance of Mr. Baber, the late Judge on the Malabar coast, in collecting such information relative to the state of slavery in the peninsula of India as may enable the British Government to adopt on the continent of India the same policy relative to the state of slavery, as that which has been successful in Ceylon.

See Paper (I.)

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Ceylon. The Committee of Correspondence of the Asiatic Society have already collected some very useful information upon the subject, from various quarters, particularly from the papers published by order of the House of Commons in 1826, and they soon expect to obtain much more from different parts of India.

1153. Have you any means of knowing the proportion of slaves to freemen in Ceylon?—At the time all the proprietors of slaves on the island of Ceylon came to the resolution which I have just mentioned, there were 763 proprietors, and, as I understood, between 9,000 and 10,000 slaves: the population of the then British territories on the island was about 600,000 people.

1154. Can you state whether any and what steps were taken in Ceylon during your residence there, for facilitating the holding of lands by Europeans?—Restrictions similar to those which prevail in the East India Company's possessions on the continent of India, were in force in the King's possessions in Ceylon up to 1810, against Europeans holding lands in perpetuity on the island. Believing that the best way of improving the island, and securing the affections of the natives, would be for His Majesty's Government to encourage, by all means in their power, the settlement of Europeans in every part of the country, and the introduction of European capital, European industry, and European arts and sciences, amongst the people, I advised the late Lord Londonderry, as soon as I arrived in England in 1809, to repeal all these restrictions, and to authorize the local government to grant lands, under the most favourable conditions, to any British Europeans who might be willing to settle upon the island. The restrictions were accordingly repealed in 1810. It was the intention of Lord Londonderry, on my advice, had he remained in office, to have followed up this measure by giving the island of Ceylon such a free constitution of government as would have suited the habits and feelings of British settlers. This intention, however, was, in consequence of his resignation, not carried into effect, and few or no Europeans have hitherto availed themselves of the offer of the government of Ceylon to give them grants of land. The Paper (K.) is the copy of a Paper which contains an account of all the circumstances connected with this subject.

See Paper (K.)

1155. Have you considered how far facilities may be afforded in India to the possession of land by Europeans, beyond those now afforded, and generally the settlement of Europeans in the interior of the country?—From all I have heard and read upon the subject, I think that the British Government ought to encourage British Europeans to settle in India, for the purpose of improving the country and increasing the influence and the authority of the government amongst all classes of the people.

1156. If the number of lower Europeans in the interior were much increased, then, supposing them admissible to offices and privileges which are not open to the native Indians, is there no danger that a jealousy would be created which might lead to injurious effects?—The Europeans who will be anxious to settle in the interior of India will, I should think, in general be persons of some capital, or some particular skill and talent; such persons, independent of any other motive, will endeavour, with a view to their own interest, to conduct themselves well, and to make themselves popular with the natives of the country. I do not conceive that their admission into such offices as their acquirements may qualify them to fill, can excite any peculiar degree of jealousy amongst the natives, or be productive of any injurious effects in the country.

1157. The supposition of the last question was, that such a number of Europeans residing in the country as to create a sort of caste or class distinct from the natives; supposing that class to be admissible to places under government, or to have privileges of any kind which are not open to the natives in common with them; the question then is, whether a sort of jealousy would not be produced in the mind of the natives at their own exclusion from the same advantages?—I conceive that all the natives of the country ought to be eligible to all judicial, revenue and civil situations whatever, and that if this were the case, no jealousy would be excited in the minds of the natives by the circumstance of an European, though not in the Company's service, being deemed eligible, if his conduct be good, to similar situations.

1158. Even supposing an intelligent European was not possessed of capital himself, would his superior skill not be useful in turning to account the capital of the natives?—I have no doubt whatever that it would often be of great advantage to the natives to have an European of skill and talent, though without capital, settle among them, because it is probable that by his skill and talent he would enable

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enable such of them as are engaged in agriculture or in manufactures to make many improvements, which may be of the greatest advantage to them in the pursuits in which they are engaged.

1159. In opening appointments to natives and Europeans generally, would you admit at the same time half-castes?—I should certainly advise the half-castes to be declared to be eligible to the same situations as Europeans and natives. While I was on Ceylon, I considered every half-caste, if properly qualified, to be eligible to every magisterial and other office under the supreme court. Some of the most respectable and the most efficient magistrates and officers of the supreme court were half-castes. My opinion as to the policy which ought to be pursued with respect to the half-castes in British India, is given at length in my answer to a letter which I received in May 1830 from Mr. Ricketts, the then agent of the half-castes in this country, of which (L.) is a copy.

See Paper (L.)

1160. Are you acquainted with the Jury Bill which has just passed the House of Commons?—Yes, I am; I think that it will be attended with the best effects in India. The conciliatory manner in which the present President of the Board of Control has received the petition of the natives of India, and the readiness with which he has brought in a Bill to relieve them from some of the grievances of which they complain, will show them the attention which the present Board pays to their feelings, the respect which it entertains for their character, and the confidence with which it intrusts the lives, the liberty, and the property of their fellow-countrymen to their discretion and to their protection.

1161. Has experience shown that the introduction of jury trials in Ceylon has succeeded?—Yes; my own experience, that of my successors in office, and that of the King's Commissioner, Mr. Cameron, prove that it has completely succeeded. For an account of the result of my experience, I beg leave to refer to the Paper (B.); for that of my successors, to the following extract from Sir Harding Gifford's Charge; and for that of Mr. Cameron, to the following extract from that gentleman's Report:

See Paper (B.)

EXTRACT from the Charge delivered by Sir Harding Gifford, the Chief Justice and First Member of H. M. Council in Ceylon in 1820, on his taking possession of his office, after the resignation of Sir Alexander Johnston.

"BUT there is one feature of the history of offences for the last two years so remarkable, that it cannot without injustice to the people be overlooked.

"It has been my duty to examine the criminal calendars of that period, with a view to inform myself of the state of offences generally; and I have been both surprised and gratified to observe, that during this interval, an interval marked by violence and convulsion in the interior, that there does not appear to have occurred in our maritime provinces a single instance of even a charge of turbulence, sedition, or treason, or of any offence bearing the slightest tinge of a political character. It is too well recorded, and is within the personal knowledge of some of yourselves, that during the Kandian War of 1803, the revolt of some of our maritime districts added in no slight degree to the difficulties of that melancholy period. To what are we to attribute so remarkable a change? Certainly not to the superior character of the government. In mildness and benevolence, Mr. North's administration was assuredly not exceeded by that of any of his successors. But, Gentlemen, let us ascribe it to the true causes; to the long and steady experience of the blessings of a government administered on British principles, and, above all, to the introduction of trial by jury.

"To this happy system, now (I may venture to say) deeply cherished in the affections of the people, and revered as much as any of their own oldest and dearest institutions, I do confidently ascribe this pleasing alteration; and it may be boldly asserted, that while it continues to be administered with firmness and integrity, the British Government will hold an interest in the hearts of its Cingalese subjects which the Portuguese and Dutch possessors of this island were never able to establish.

"It may appear, and with justice, that I indulge some degree of personal gratification in referring to this subject, when I tell you, that in a report made to the government of Ceylon in June 1817, by the Advocate Fiscal of that period, there is contained an observation which shows that this feeling is not new, and we know how fully it has been justified by subsequent events. In that document it is said, that 'amongst the inhabitants of the maritime provinces, I know the jury system to be already (this was in the seventh year of its operation) a favourite. The wisdom of the Supreme Court has most happily adapted it even to their prejudices, so that they had actually begun to feel attachment to it on that account, even before they were aware of all its advantages.'

"And the report adds, 'Armies may waste away from climate or disease, and seasons and circumstances may baffle the utmost exercise of human foresight; but, fixed on the attachment of the people to our jurisprudence, I look upon the security of the British interests in (the maritime provinces of) Ceylon to be impregnable.'

"And

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"And can we, Gentlemen, with these pleasing results before us, omit to render our tribute of recollection to the learned Judges by whose zeal and ability this system has been put so happily into operation?

"Of one of them, holding, as he still does, that station in society so well merited by his talents and services, it would be difficult in me, without indelicacy, to offer more than that tribute which it would be injustice to withhold. To his perfect knowledge of the native habits and character, and his extensive acquaintance with their institutes, it was owing that the jury system was thus so skilfully adapted even to their prejudices, and so deeply rooted in their affections as to have had the consequence in which we now rejoice."*

EXTRACT from a Report of C. H. Cameron, Esq., one of His Majesty's Commissioners of Inquiry, to Lord Viscount Goderich, dated 31 January 1832.

"THE trial by jury, as your Lordship is aware, was introduced at the suggestion of Sir Alexander Johnston, by the charter of 1810. I attended nearly all the trials by jury which took place while I was in the island, and the impression on my mind is, that an institution in the nature of a jury is the best school in which the minds of the natives can be disciplined for the discharge of public duties. The juror performs his functions under the eye of an European judge, and of the European and Indian public, and in circumstances which almost exclude the possibility of bribery or intimidation. In such a situation he has very little motive to do wrong, and he yet feels and learns to appreciate the consciousness of rectitude. The importance which he justly attaches to the office renders it agreeable to him, and he not only pays great attention to the proceedings, but for the most part takes an active part in them."

1162. Are you aware of any reason why the system of jury trial which succeeded in Ceylon should not be equally successful in India?—I have for the last 20 years had frequent communications with persons from Madras, Bombay and Bengal upon this question. I have also read several documents containing the opinions of those who are competent to form a correct judgment upon the subject. These communications and documents leave no doubt in my mind of the applicability of jury trial to every part of the British possessions in India, provided it be so modified as to suit it to the customs and feelings of the people amongst whom it is introduced. The documents to which I allude, in as far as they relate to Madras, are the minutes of the late Sir Thomas Munro, and his letter to Lord Hastings upon the subject; the minutes of Mr. Graham, his successor in the government of Madras; the printed regulation passed by the Governor and Council of Madras for carrying into effect, after Sir Thomas Munro's death, his plan for the introduction of jury trials throughout the presidency of Madras; the evidence before the House of Lords of Mr. Baber, one of the most able and enlightened of the East India Company's judges. The documents to which I allude, in as far as they relate to Bombay, are the addresses presented by the principal natives of Bombay, upon the death of the late Chief Justice of that settlement, Sir Edward West, to the two surviving Judges of the Supreme Court at Bombay, and the petition signed by 4,000 of the most distinguished inhabitants of all castes and religious denominations at Bombay, and sent by them to the House of Commons about two years ago, in which, though I am not personally acquainted with any one of them, they do me the honour of alluding to me in the most flattering terms, merely from the circumstance of their conceiving me to be the first person who had ever extended by a charter of justice the right of sitting upon juries to the natives of India. The documents to which, independent of many others, I specifically allude, in as far as they relate to Bengal, are different parts of the evidence of Rajah Ramohun Roy before the Committee of the House of Commons. In corroboration of these documents, I can speak from personal knowledge as to the decided opinion which the late Sir Thomas Munro entertained in favour of the introduction of trial by jury amongst the natives of India, for I met him in 1817 on the peninsula of India, at his particular request, six years after I had introduced jury trial into Ceylon, for the express purpose of explaining to him the manner in which I had adapted that mode of trial to the customs and religious feelings of all the natives of all the different castes

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* "The Honourable Sir Alexander Johnston, the late Chief Justice and First Member of His Majesty's Council, at whose recommendation, and according to whose plan, the trial by jury was introduced into Ceylon, in November 1811, and the right of sitting upon juries, instead of being confined, as it is in other parts of India, to Europeans, was extended, under some modifications, to every native upon the island, the effects of which are to make the natives themselves participate in the administration of justice amongst their own countrymen."

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castes and religious persuasions on that island, and the conclusions which I drew as to the moral and political effect which it was calculated to produce upon their character and conduct.

1163. Can you conceive anything better adapted than the system of jury trial, to give the people of India that confidence in themselves, and prepare them for those free political institutions, which it must be the ultimate object of this country gradually to introduce?—I cannot conceive any system to be better adapted for that purpose in India than the system of trial by jury, provided it be so modified as to suit it to the feelings of the natives and the circumstances of the country: it gives the natives an additional value for education, for character, for public opinion; it makes them acquainted with the nature of their laws, and with the moral and political effect of their institutions; it exercises their minds in sifting and weighing the evidence of persons of every caste and of every religious persuasion; it accustoms them to decide, and declare their opinion in public; it gives them a confidence in their own talents, and in their own judgment; it makes them feel themselves to be the guardians of the lives, the liberties, and the property of their countrymen; it convinces them that they are treated with confidence and respect by their rulers; it excites in them an additional interest in every thing which relates to the administration of justice, and to the government of the country; it affords them a public opportunity of displaying their knowledge, their patriotism, and their talents upon subjects of the greatest interest, and must ultimately lead them, as it did all the jurymen on Ceylon who were proprietors of slaves, and who declared free all children born of their slaves after the 12th of August 1810, to show themselves worthy of the rights and privileges of freemen, by showing themselves ready, if necessary, to sacrifice their private interests to their respect for the cause of humanity and freedom.

1164. Does not the simple circumstance, that the facts in a criminal case must be brought before 12 individuals in the same situation as the prisoner, form a very great security for individual liberty, and so prepare the country in which it is introduced, for the exercise of political freedom also?—Yes; it places the liberty of every native of British India under the safeguard of his countrymen; it creates a native public to protect him against oppression; it encourages him to form and declare his opinions without fear or disguise, and it thus renders him capable of exercising political freedom with credit to himself and with benefit to his country.

PAPERS presented by Sir *Alexander Johnston*, and referred to in his Evidence of 6 and 9 July 1832.

(A.)

THE Paper sent by Sir Alexander Johnston, in 1806, from the Island of Ceylon to the late Mr. Charles Fox, then at the head of the Administration of Affairs in England, in consequence of Mr. Fox having requested Sir Alexander, when he left England in 1802, to send him, after his arrival on the Island, his opinion upon the different subjects to which the Paper alludes.

THE best policy which Great Britain can pursue in order to retain her possessions in India, is to raise the moral and political character of the natives, to give them a share in every department of the state, to introduce amongst them the arts, sciences and literature of Europe, and to secure to them, by a legislative act, a free constitution of government, adapted to the situation of the country and the manners of the people. With this view I propose,—

1st. That a general system of education founded upon this policy be established for the benefit of the natives in every part of the British territories in India.

2d. That the natives be declared eligible to all judicial, revenue and civil offices whatever.

3d. That all laws by which the natives are to be governed be, before they are adopted as law, publicly discussed and sanctioned by local assemblies or councils, in which the interests of every class of natives shall be adequately represented by natives of their own class.

4th. That the local governors be deprived of the power which they are now authorized to exercise at their own discretion of sending Europeans without trial out of the British territories in India, and that no European shall for the future be sent out of any of those territories on any charge, unless under a regular sentence of banishment passed against him

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him by a regular court of justice, after a fair and public trial, and a conviction by a jury of some offence to which the law has attached the punishment of banishment from the British territories in India.

5th. That a law be passed affording the same protection against illegal imprisonment to every native and every European in the British territories in India as the Act called the Habeas Corpus Act affords to every person in England.

6th. That measures be immediately taken by all the governments in India for the gradual abolition of domestic and every other description of slavery which now prevails in different parts of British India.

7th. That it be declared illegal for any British government in India, or for any individual acting by its authority, to force a native, under any pretence whatsoever, to labour without pay or against his will.

8th. That it be declared illegal for any British Government in India to exclude any native from holding any office under the British Government in India on account of the nature of any religious creed which he may profess.

9th. That measures be immediately taken, by giving to each description of them an efficient and respectable ecclesiastical establishment, by enforcing a system of strict moral discipline amongst them, and by removing all motives of religious jealousy between them, for making every description of Christian, whether Catholic, Syrian, or Protestant, within the British territories in India, respectable in the eyes of the natives of the country.

10th. That measures be immediately taken for putting all the descendants of Europeans in British India, known at present by the very invidious denomination of half-castes, upon the same footing as European born British subjects in every respect as to education, laws, and eligibility to office, and thereby rendering every person descended from a European, whatever his complexion may be, provided his character be good, respectable in the eyes of the natives of the country.

11th. That all the restrictions which at present prevail against Europeans settling in any of the British territories in India be taken off; and that all British Europeans be not only permitted, but encouraged by the British Government in India to acquire and hold lands in perpetuity, and to settle in every part of the country, as the surest way of introducing the arts, the science, and the improvements of Europe amongst the natives, of increasing their wealth, their comforts, and their prosperity, of extending the influence of Europeans in the country, and of strengthening the British authority in India.

12th. That the press be considered and used as a powerful engine for forming an enlightened public amongst the natives of the country, for enabling the British Government to know the real sentiments of the people respecting all its measures, for preventing all public functionaries from abusing their power, and for protecting the Legislature in any improvements it may introduce against the prejudices of the ignorant and the intrigues of the disaffected.

13th. That the distinction which now prevails in British India between King's and Company's courts of justice be abolished, and that there be but one system of administering justice throughout British India.

14th. That there be a special code of law for British India, drawn up in the simplest language, divested of all technicalities, and adapted to the feelings and to the manners of the different descriptions of people, European as well as natives, who compose the population of the country.

15th. That this code consist of four parts,

1st. To contain the civil law applicable to Europeans.

2d. The civil law applicable to the native Hindoos.

3d. The civil law applicable to the native Mahomedans.

4th. The criminal law, applicable both to Europeans and natives, Hindoos as well as Mahomedans.

16th. That civil and criminal justice be administered to all the inhabitants of British India according to this code, by judges and assessors educated for the purpose, and by juries adapted, as to number, qualification, and every other circumstance, to the feelings of the people, and the local situation of the country.

17. That there be both European and native judges in British India: that all Europeans who intend to be judges in India, be educated for the specific purpose in England, and be publicly examined, and declared to be properly qualified for the situation by the High Court of Appeal in England, before they can be eligible to the situation of a European judge in British India; and that all natives of India be educated for the specific purpose in India, and be examined and declared to be properly qualified for the situation by the Supreme Court of the Presidency to which they may belong, before they can be eligible to the situation of a native judge in British India.

18th. That the criminal and civil jurisdiction of the European and native judges respectively, be carefully regulated with a view to the situation of the country, and the feelings of each class of the inhabitants.

19th. That in civil cases (subject always to the above consideration) the European judges do exercise only an appellate jurisdiction, and the native judges only an original jurisdiction.

20th. That every criminal prisoner, European and native, shall have a right to be tried by a jury for any criminal offence, not declared by law to be a minor offence, with which he may be charged.

21st. That to save the inhabitants of the country from all unnecessary inconvenience, every

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every jurisdiction exercised by any judge, whether criminal or civil, original or appellate, be exercised in such a manner, either by circuits or otherwise, as may put the parties who are concerned, prisoners, suitors and witnesses, to as little expense and delay as possible, by bringing justice as near as possible to their respective homes.

22d. That to save suitors in civil cases from all unnecessary delay and expense, the number and the nature of the pleadings, copies of papers, &c. allowed by the courts, be as few as possible consistent with the attainment of jusitce; the parties to a suit have the option of proceeding in court either by themselves, or by an attorney or counsel, as they may think proper; and all tables of fees be framed by the local assemblies or councils, with a strict consideration of the circumstances of the people who are likely to have suits before the court.

23d. That to prevent the officers of the several courts from having an interest, or from appearing to have an interest, in the delay of justice, or in the accumulation of papers in a suit, all officers of court be paid by fixed salaries, be strictly prohibited from receiving any fees, or deriving any emolument whatever from the use of monies deposited in court; and be compelled to pay all fees of court, and all monies deposited in court, without the smallest delay, into the public treasury.

24th. That in order to prepare the natives of the country to exercise the duties of judges and jurymen, they be employed as frequently as possible as assessors to the European and native judges in the administration of civil and criminal justice.

25th. That in order to increase the respect of the natives for the office of a juryman, a list be made out of all the persons in each province who are qualified, according to a plan which shall be hereafter arranged, to act as jurymen; that this list be constantly exhibited in the most public places in the province; that it be revised every half year; that at each revisal, the names of all those who have been improperly omitted be added to the lists, and the names of all those whose conduct since they were put upon the list has disqualified them from the honour of being upon the list, be erased from it; the question in either case, as to whether the name of a person ought to be added or erased from the list, to be tried and decided by a jury.

26th. That in order to form an enlightened and independent public amongst the natives, a native reporter be attached to each court, who shall report all the cases which occur before the court; and that a native newspaper be established in each province for the purpose of publishing all the circumstances which are connected with these cases, and encouraging the natives of the country to discuss without fear the nature of the decisions which have been given by the judges of the respective courts.

27th. That all the different maritime customs and maritime usages of all the different natives of various parts of Asia who navigate the Indian seas, and who trade with the different ports belonging to the British territories in India, be carefully collected, and a maritime code prepared fromthem for the use of all the native mariners who trade with the British territories in India; and that courts, the proceedings of which shall be regulated by this code, be established at all the most convenient ports in British India.

28th. That there be a Supreme Court of Justice at each of the three Presidencies in British India; that it be a court of appellate jurisdiction only; that it shall, in communication with the local Government, have the complete superintendence and control over, and be held responsible for the efficiency of whatever system may be established for the administration of justice and for the regulation of police throughout the Presidency to which it belongs.

29th. That there be a high Court of Appeal in England, consisting of the President of the King's Council, an English lawyer of eminence, some of the King's retired Indian judges, and some of the Company's retired judicial servants; that it shall exercise an appellate jurisdiction over the three courts at the three Presidencies in India in cases of a large amount or of a particular description; shall try and decide all complaints brought against Indian judges for acts done by them while acting as judges in India; shall exercise, in communication with the Government in England, the complete superintendence and control over the whole system for the administration of justice and regulation of police throughout every part of British India; shall make a detailed report to both Houses of Parliament, at fixed periods, of its own proceedings, and of the state of the administration of justice and the police throughout British India, explaining in such report, for the information of Parliament, the nature of any defects which it may have observed, and of any improvements which it may have to propose; and, finally, that it be considered by Parliament as publicly responsible for the efficiency of the whole system of administering justice in India.

30th. That a commission consisting of three persons be sent by Parliament to India, for the purpose of collecting, with the assistance of the most intelligent Europeans and natives in the country, materials for framing such a code as has already been mentioned for the use of the inhabitants of British India; and that the duration of this commission be limited to three years, from the date of the arrival of the commissioners in India.

31st. That in order to enable the commissioners to obtain the official assistance of the natives of the country in framing that part of the code which relates to the civil law of the Hindoos and Mahomedans, the following plan be pursued:

That all the native inhabitants qualified to sit on juries in each province do elect a certain

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a certain number of the best informed and most respectable natives of the province into a committee, for the purpose of submitting to the commissioners a report, which shall contain an authentic account (arranged under such heads as shall be sent to them by the commissioners, of all the laws and usages which prevail in their province, together with their opinion as to the moral and political effect of each of those laws and usages, and as to the alterations which they may think necessary to be made in any of them.

That the commissioners do send to the committee so elected in each province a paper containing the different heads under which they require information respecting the laws and usages of the province; intimating to the committee at the same time, that it is their intention, as soon as the committee make their report, to exhibit it publicly, with the names of the persons who have framed it, to all the people of the province, for their consideration and observation.

That such report, when drawn up by the committee in the style and language best understood in the province, be publicly exhibited for six months, in the most frequented part of every village in the province, with a public invitation to the people of the village to offer such objections or observations upon the report as may occur to them, for the information of the commissioners, and with a public notice that should no such objections or observations be offered by them within six months, the commissioners will conclude that the report has received their approbation.

That the commissioners do, at the expiration of the above period of six months, collect the several reports, and do arrange from them, and from such other information as they may possess, a code of Mahomedan and Hindoo law for the approbation of Parliament.

That translations of the above code be made in every language and idiom which is spoken in any province of the British territories, and that a certain number of printed copies of it, be deposited for the use of the inhabitants, in the most frequented parts of each village in every province.

That the translation which is prepared for the use of any particular province be made under the immediate superintendence of the committee which framed the report upon the laws and usages of that province, and be read and explained by the respective servants of Government in each village of the province to every person belonging to the village.

Note.

The information upon which such a code is framed must be authentic, because it is derived from the best informed men in the country, chosen, for their local knowledge, by their own countrymen, under circumstances when they have no apparent motiveto deceive the commissioners; but, on the contrary, every motive arising from a desire to establish a character for talents, integrity, knowledge and patriotism amongst their countrymen, to afford the commissioners the most accurate information upon a subject which is intimately connected with the happiness, the prosperity, and the religious and moral institutions of themselves and their countrymen.

Such a code must be easily understood by the commonest person in the country, because it is drawn up in the language of the country, under the superintendence of those who are the best acquainted with that language, and because it has been explained to, and received the approval of, every person in the country.

It must be generally useful to the people of the country, because, from its being intelligible, and from its having been explained to them, it makes them know what the law is upon any particular subject, without the expense or inconvenience of consulting a lawyer; and because, in case of a law-suit, it enables the courts of justice to decide upon questions of law without difficulty or delay. It must be popular amongst the people of the country, because it is framed upon local information received by the commissioners from persons pointed out to the commissioners for the purpose by the people of the country, and confirmed as to its accuracy by the people themselves, to whom it was submitted for their consideration before it was received by the commissioners. It will relieve the people of the country from the expense, the delay, the inconvenience, and the oppression to which they are at present subject, from the incessant and endless law-suits which arise out of the obscurity and uncertainty of the laws by which their lives, their liberty, and their property are regulated, and enable each person really to do what, by a fiction of law he is in all countries presumed to do, understand the laws by which he is governed. It must always have weight amongst the people of the country, because it will always have the support of the persons of the greatest influence in the country, upon whose information it was framed, and of all the people of the country who publicly sanctioned that information. It will be instructive to the local government of the country, and to the Parliament of Great Britain, because it will afford them an authentic account of all the local laws, usages and institutions which prevail in the country, of all the good or bad moral and political effects which they produce, and of the different alterations and improvements, which, in the opinion of the best informed men of the country, may be introduced by Government into the habits and manners of the people.

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(B.)

CONTAINS an Account of the measures adopted by Sir Alexander Johnston for the introduction of Trial by Jury, and the Abolition of Domestic Slavery on the Island of Ceylon, of the moral and political effects produced by those measures upon the natives of that Island, and of the circumstances connected with the Act of 1826, which, in consequence of the success of the similar measure on Ceylon, extended the right of sitting upon Juries to all natives of India living within the local limits of the Supreme Courts of Bombay, Madras and Calcutta.

AS our Indian administration, especially the judicial branch of it, is becoming, from peculiar circumstances, a subject of increasing interest, a statement, from authentic sources, of the important experiments which have been successfully made at Ceylon, accompanied by an exposition of the principles upon which they were adopted, and the advantages which they have already been attended with, cannot but be gratifying.

Sir Alexander Johnston, the then Chief Justice and first member of His Majesty's Council in Ceylon, after a very long residence on that island, a very attentive examination of all the different religious and moral codes of the various descriptions of people who inhabit Asia, a constant intercourse for many years, as well literary as official, with natives of all the different castes and religious persuasions which prevail in India, and a most careful consideration of every thing which related to the subject, recorded it as his official opinion, in 1808, that the most certain and the most safe method of improving the British Government in India, of raising the intellectual and moral character of the natives, of giving them a real interest in the British Government, and of insuring the continuance of their attachment to the British empire, was to render the system of administering justice amongst them really independent, efficient and popular; and that the wisest method of gradually attaining these objects, was by granting to the natives of the country themselves, under the superintendence of European judges, a direct and a considerable share in the administration of that system.

As a very general opinion prevailed, both in India and in England, that the natives of India, from their division into castes, from their want of intellect, from their want of education, and from their want of veracity and integrity, were incapable of exercising any political or any judicial authority, either with credit to themselves or with advantage to their countrymen, it was, for many reasons, deemed prudent by Sir Alexander Johnston that the experiment of allowing natives of India to exercise the same rights and privileges in the administration of justice in India as are exercised by Englishmen in Great Britain should be first tried on the island of Ceylon.

The intellectual and moral character of the inhabitants of Asia is formed, in a great degree, if not altogether, by the different systems of religion, and the different codes of morals which prevail amongst them, and which may be ranked (viewing them not according to the purity and truth of their doctrines, but according to the number of persons who are subject to their influence,) in the following order:—

1st. The Hindoo religion and code.

2d. The Buddhist religion and code.

3d. The Mahomedan religion and code. And

4th. The Christian religion and its system of morals.

Considering them, therefore, with a view to the peculiarities of their intellectual and moral character, the inhabitants of Asia may be divided into the four following great divisions, each division practically exhibiting, in the character and conduct of the different classes of people who belong to it, the intellectual and moral effect of their respective religious and moral codes:

1st. Those who profess the pure Hindoo religion, or some of its modifications.

2d. Those who profess the Buddhist religion, or some of its modifications.

3d. Those who profess the Mahomedan religion, or some of its modifications. And

4th. Those who profess the Christian religion, whether according to the doctrines of the reformed or of the Catholic Church.

The population of Ceylon consists of a considerable number of inhabitants of each of the four following descriptions of people; viz. 1st, of about half a million who derive their descent from the inhabitants of the opposite peninsula of India, who profess the same modification of the Hindoo religion, who speak the same language, have the same customs and laws, and the same division of castes, as those inhabitants; 2dly, of about half a million other inhabitants who claim their descent from the people of Ava and Siam, who have the same religious and moral code, and who profess the same modification and the same customs of the Buddho religion as the inhabitants of those two countries; 3dly, between 50,000 and 60,000 Mahomedan inhabitants, who are partly of Arab and partly of Mogul descent, who have the same customs and laws, and who profess the same modifications of the Mahomedan religion as prevail amongst the different classes of Mahomedans who inhabit the peninsula of India; and, 4thly, of a very considerable number of what in the rest

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rest of India are called half-castes, descended partly from Portuguese, partly from Dutch, and partly from English Europeans, some of them professing the Catholic, some the reformed religion, and all of them resembling in character and disposition the half-castes in the rest of India. As it was therefore obvious that the population of Ceylon was composed of a great number of each of the four great divisions of people of which the population of the rest of India was composed, Sir Alexander Johnston conceived that, should the experiment of extending the rights and privileges of Englishmen, in as far as they relate to the administration of justice, to all the different descriptions of half-castes and other natives on the island of Ceylon, be attended with success, it might therefore be acted upon with great moral and political advantage in legislating for the different descriptions of half-castes and other natives on the continent of India.

From the year 1802, the date of the first royal charter of justice, to the year 1811, justice had been administered in the courts on that island according to what is called, in Holland, the Dutch-Roman law, both in civil and in criminal cases, without a jury of any description whatever, by two European judges, who were judges both of law and fact, as well in civil as in criminal cases. In 1809, it was determined by His Majesty's Ministers, on the suggestion of Sir Alexander Johnston, that the two European judges of the Supreme Court on Ceylon should for the future, in criminal cases, be judges only of law, and that juries, composed of the natives of the island themselves, should be judges of the fact in all cases in which native prisoners were concerned; and, in November 1811, a new charter of justice under the Great Seal of England was published on Ceylon, by which, amongst other things, it was in substance enacted, that every native of the island who was tried for a criminal offence before the Supreme Court should be tried by a jury of his own countrymen, and that the right of sitting upon juries in all such cases should be extended, subject to certain qualifications, to every half-caste, and to every other native of the island, whatever his caste or religious persuasion.

This experiment of extending the rights and privileges of Englishmen having, after 16 years' experience, been found to be productive of the greatest security to Government, and of the greatest benefit to the people of the country, it has become a subject of serious consideration both in India and in England whether the same rights and the same privileges as, since the year 1811, have been exercised with the most beneficial effects by the natives of the island of Ceylon, may not also be exercised with the same good effect by all the natives of the East India Company's dominions in India; and Sir Alexander Johnston, at the request of the President of the Board of Control, wrote to him, in the year 1825, the letter, of which the following is a copy, explaining to him the reasons which originally induced Sir Alexander to propose the introduction of trial by jury amongst the natives of Ceylon, the mode in which his plan was carried into effect, and the consequences with which its adoption has been attended.

" Dear Sir, " 26th May 1825.

" I HAVE the pleasure, at your request, to give you an account of the plan I adopted while Chief Justice and first member of his Majesty's Council on Ceylon, for introducing trial by jury into that island, and for extending the right of sitting upon juries to every half-caste native, as well as to every other native of the country, to whatever caste or religious persuasion he might belong. I shall explain to you the reasons which induced me to propose this plan, the mode in which it was carried into effect, and the consequences with which its adoption has been attended. The complaints against the former system for administering justice on Ceylon were, that it was dilatory, expensive and unpopular. The defects of that system arose from the little value which the natives of the country attached to a character for veracity, from the total want of interest which they manifested for a system, in the administration of which they themselves had no share, from the difficulty which European judges, who were not only judges of law, but also judges of fact, experienced in ascertaining the degree of credit which they ought to give to native testimony, and finally from the delay in the proceedings of the court, which were productive of great inconvenience to the witnesses who attended the sessions, and great expense to the government which defrayed their costs. The obvious way of remedying these evils in the system of administering justice was, first, to give the natives a direct interest in that system, by imparting to them a considerable share in its administration; secondly, to give them a proper value for a character for veracity, by making such a character the condition upon which they were to look for respect from their countrymen, and that from which they were to hope for promotion in the service of their government; thirdly, to make the natives themselves, who, from their knowledge of their countrymen, can decide at once upon the degree of credit which ought to be given to native testimony, judges of fact, and thereby shorten the duration of trials, relieve witnesses from a protracted attendance on the courts, and materially diminish the expense of the government. The introduction of trial by jury into Ceylon, and the extension of the right of sitting upon juries to every native of the island, under certain modifications, seemed to me the most advisable method of attaining these objects. Having consulted the chief priests of the Budhoo religion, in as far as the Cingalese in the southern part of the island, and the Brahmins of Remissuram, Madura and Jafna, in as far as the Hindoos of the northern part of the island were concerned, I submitted my plan for the introduction of trial by jury into Ceylon to the Governor and Council of that island. Sir T. Maitland, the then Governor of Ceylon, and the other members of the Council, thinking the object of my plan an object of great importance to the prosperity of the island, and fearing lest objections might be urged against it in England, from the novelty of the measure, (no such rights

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rights as those which I proposed to grant to the natives of Ceylon ever having been granted to any native of India), sent me officially, as first member of Council, to England, with full authority to urge, in the strongest manner, the adoption of the measure, under such modifications as his Majesty's Ministers might, on my representations, deem expedient. After the question had been maturely considered in England, a charter passed the Great Seal, extending the right of sitting upon juries, in criminal cases, to every native of Ceylon, in the manner in which I had proposed, and on my return to Ceylon with this charter in November 1811, its provisions were immediately carried into effect by me.

" In order to enable you to form some idea of the manner in which the jury trial is introduced amongst the natives and half-castes of Ceylon, I shall explain to you; 1st, what qualifies a native of Ceylon to be a juryman; 2dly, how the jurymen are summoned at each session; 3dly, how they are chosen at each trial; and, 4thly, how they receive the evidence and deliver their verdict. Every native of Ceylon, provided he be a freeman, has attained the age of 21, and is a permanent resident in the island, is qualified to sit on juries. The fiscal, or sheriff of the province, as soon as a criminal session is fixed for his province, summons a considerable number of jurymen of each caste, taking particular care that no juryman is summoned out of his turn, or so as to infere with any agricultural or manufacturing pursuits in which he may be occupied, or with any religious ceremony at which his caste may require his attendance. On the first day of the session the names of all the jurymen who are summoned are called over, and the jurymen, as well as all the magistrates and police officers, attend in court, and hear the charge delivered by the judge. The prisoners are then arraigned; every prisoner has a right to be tried by 13 jurymen of his own caste, unless some reason why the prisoner should not be tried by jurymen of his own caste can be urged to the satisfaction of the court by the Advocate Fiscal, who on Ceylon holds an office very nearly similar to that held in Scotland by the Lord Advocate, or unless the prisoner himself, from believing people of his own caste to be prejudiced against him, should apply to be tried either by 13 jurymen of another caste, or by a jury composed of half-castes, or Europeans. As soon as it is decided of what caste the jury is to be composed, the registrar of the court puts into an urn, which stands in a conspicuous part of the court, a very considerable number of the names of jurymen of that caste out of which the jury is to be formed; he continues to draw the names out of the urn (the prisoner having a right to object to five peremptorily, and to any number, for cause), until he has drawn the names of 13 jurymen who have not been objected to: these 13 jurymen are then sworn, according to the form of their respective religions, to decide upon the case according to the evidence, and without partiality. The Advocate Fiscal then opens the case for the prosecution (through an interpreter if necessary) to the judge, and proceeds to call all the witnesses for the prosecution, whose evidence is taken down (through an interpreter if necessary), in the hearing of the jury, by the judge; the jury having a right to examine, and the prisoner to cross-examine any of the above witnesses. When the case for the prosecution is closed, the prisoner states what he has to urge in his defence, and calls his witnesses, the jury having a right to examine, and the prosecutor to cross-examine them, their evidence being taken down by the judge: the prosecutor is seldom or never, except in very particular cases, allowed to reply or call any witnesses in reply. The case for the prosecution and for the prisoner being closed, the judge (through an interpreter when necessary) recapitulates the evidence to the jury from his notes, adding such observations from himself as may occur to him on the occasion; the jury, after deliberating upon the case, either in the jury box, or, if they wish to retire, in a room close to the court, deliver their verdict through their foreman in open court, that verdict being the opinion of the majority of them; the most scrupulous care being taken that the jury never separate, nor communicate with any person whatever, from the moment they are sworn, till their verdict, having been delivered as aforesaid, has been publicly recorded by the registrar. The number of native jurymen of every caste on Ceylon is so great, and a knowledge before-hand what persons are to compose a jury in any particular case is so uncertain, that it is almost impossible for any person, whatever may be his influence in the country, either to bias or to corrupt a jury. The number of jurymen that are returned by the fiscal or sheriff to serve at each session, the impartial manner in which the names of the jurymen are drawn, the right which the prisoner and prosecutor may exercise of objecting to each juryman as his name is drawn, the strictness which is observed by the court in preventing all communication between the jurymen when they are once sworn, and every other person, till they have delivered their verdict, give great weight to their decision. The native jurymen being now judges of fact, and the European judges only judges of law, one European judge only is now necessary, where formerly, when they were judges both of law and fact, two, or sometimes three were necessary. The native jurymen, from knowing the different degrees of weight which may safely be given to the testimony of their countrymen, decide upon questions of fact with so much more promptitude than Europeans could do, that since the introduction of trial by jury, no trials lasts above a day, and no session above a week or 10 days at furthest; whereas before the introduction of trial by jury, a single trial used sometimes to last six week or two months, and a single session not unfrequently for three months. All the natives who attend the courts as jurymen obtain so much information during their attendance, relative to the modes of proceeding and the rules of evidence, that since the establishment of jury trial Government have been enabled to find amongst the half-castes and native jurymen some of the most efficient and respectable native magistrates in the country, who, under the control of the Supreme Court, at little or no expense to Government, administer justice in inferior offences to the native inhabitants. The introduction of the trial by native juries, at the same time that it has increased the efficiency and despatch of the courts, and has

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has relieved both prisoners and witnesses from the hardships which they incurred from the protracted delay of the criminal sessions, has, independent of the savings it enabled the Ceylon government to make immediately on its introduction, since afforded that government an opportunity of carrying into effect, in the judicial department of the island, a plan for a permanent saving of 10,000 *l.* a year, as appears by my Report, quoted in page 8 of the printed collection of papers herewith sent. No man whose character for honesty or veracity is impeached can be enrolled on the list of jurymen; the circumstance of a man's name being upon the jury roll is a proof of his being a man of unexceptionable character, and is that to which he appeals in case his character be attacked in a court of justice, or in case he solicits his government for promotion in their service. As the rolls of jurymen are revised by the Supreme Court at every session, they operate as a most powerful engine in making the people of the country more attentive than they used to be in their adherence to truth: the right of sitting upon juries has given the natives of Ceylon a value for character, which they never felt before, and has raised in a very remarkable manner the standard of their moral feelings. All the natives of Ceylon who are enrolled as jurymen conceive themselves to be as much a part, as the European judges themselves are of the government of their country, and therefore feel, since they have possessed the right of sitting upon juries, an interest which they never felt before in upholding the British Government of Ceylon. The beneficial consequence of this feeling is strongly exemplified in the difference between the conduct which the native inhabitants of the British settlements on Ceylon observed in the Kandian war of 1803, and that which they observed in the Kandian war of 1816. In the war between the British and Kandian Government in 1803, which was before the introduction of trial by jury, the native inhabitants of the British settlements were, for the most part, in a state of rebellion; in the war between the same governments in 1816, which was five years after the introduction of trial by jury, the inhabitants of the British settlements, so far from showing the smallest symptom of dissatisfaction, took, during the very heat of the war, the opportunity of my return to England, to express their gratitude through me to the British Government for the valuable right of sitting upon juries, which had been conferred upon them by his present Majesty, as appears by the addresses contained from page 16 to page 50*, in the printed papers herewith sent. The charge delivered by my successor, the present Chief Justice of the island, in 1820, contains the strongest additional testimony which could be afforded of the beneficial effects which were experienced by the British Government from the introduction of trial by jury amongst the natives of the island. (*See* that charge in pages 289 and 290 of vol. X. of the Asiatic Journal.) As every native juryman, whatever his caste or religion may be, or in whatever part of the country he may reside, appears before the Supreme Court once at least every two years, and as the judge who presides delivers a charge at the opening of each session to all the jurymen who are in attendance on the court, a useful opportunity is afforded to the natives of the country, by the introduction of trial by jury, not only of participating themselves in the administration of justice, but also of hearing any observations which the judges, in delivering their charge, may think proper to make to them with respect to any subject which is connected either with the administration of justice, or with the state of society or morals in any part of the country. The difference between the conduct which was observed by all the proprietors of slaves on Ceylon in 1806, which was before the introduction of trial by jury, and that which was observed by them in 1816, which was five years after the introduction of trial by jury, is a strong proof of the change which may be brought about in public opinion, by the judges availing themselves of the opportunity which their charging the jury on the first day of session affords them, of circulating amongst the natives of the country such opinions as may promote the welfare of any particular class of society. As the right of every proprietor of slaves to continue to hold slaves on Ceylon was guaranteed to him by the capitulation under which the Dutch possessions had been surrendered to the British arms in 1795, the British Government of Ceylon conceived that, however desirable the measure might be, they had not a right to abolish slavery on Ceylon by any legislative act. A proposition was however made on the part of Government by me to the proprietors of slaves in 1806, before trial by jury was introduced, urging them to adopt some plan of their own accord for the gradual abolition of slavery; this proposition they at that time unanimously rejected. The right of sitting upon juries was granted to the inhabitants of Ceylon in 1811. From that period I availed myself of the opportunities which were afforded to me, when I delivered my charge at the commencement of each session to the jurymen, most of whom were considerable proprietors of slaves, of informing them of what was doing in England upon the subject of the abolition of slavery, and of pointing out to them the difficulties which they themselves must frequently experience, in executing with impartiality their duties as jurymen, in all cases in which slaves were concerned; a change of opinion upon the subject of slavery was gradually perceptible amongst them, and in the year 1816, the proprietors of slaves of all castes and religious persuasions in Ceylon sent me their unanimous resolutions, to be publicly recorded in court, declaring free all children born of their slaves after the 12th of August 1816, which in the course of a very few years must put

* See the collection of papers explanatory of Sir Alexander Johnston's public measures on Ceylon, which were printed on his resignation of the office of Chief Justice and President of his Majesty's Council on that Island in 1819

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put an end to the state of slavery which had subsisted on Ceylon for more than three centuries."*

Sir Alexander Johnston was fully aware, when he first introduced trial by jury into Ceylon, that the degree of confidence which the people of the country might be expected to repose in that institution would be proportionate to the conviction which they entertained, that they themselves would be always consulted as to the character and qualifications of those persons whose names were to be enrolled in the list of men qualified to act as jurors, and that neither the local government nor the Supreme Court would ever attempt to exert any undue influence, either in the original formation of that list, or in the subsequent selection from it, of such jurors as might from time to time be required to serve at any criminal session which might be held by the Supreme Court in any part of the island. The great object, therefore, which Sir Alexander Johnston had in view in all the regulations which he made upon this subject, was not only to render it extremely difficult, but to convince the people of the country themselves that it was extremely difficult, if not impossible, either for the local government or the court to exert any undue influence as to the jurors, without their attempt to do so becoming directly a matter of public notoriety and public animadversion.

It appeared to Sir A. Johnston that the surest method of attaining this object was to limit, as far as he could by public regulations, the power of the court and that of its officers; and to place them in every point which was in any way connected with the jury under the constant inspection and control of the people of the country. He accordingly, after much consultation with some of the most enlightened natives of the island, published a regulation, delaring that every man on the island, whatever might be his caste or religious persuasion, had a positive right to act as a juryman, provided he was a man of unexceptionable character, a free man, a permanent resident on the island, and had attained the age of twenty-one. Also declaring that the people of the country themselves should be the judges whether a man had or had not those qualifications which by this regulation gave him that positive right. Sir A. Johnston at the same time published another regulation, directing the fiscal or sheriff of each province on the island publicly to make and return to the Supreme Court a correct list of all persons in his province who were qualified as required by the former regulation to act as jurymen. To prevent the possibility of abuse on the part of the fiscal of any province, the following mode of proceeding was observed by the court: As soon as the fiscal of a province had made out and returned to the court a list of all the persons in his province who were duly qualified to serve as jurymen, this list was, by order of the court, published and circulated through every part of the province, for the specific purpose of enabling every inhabitant of the province to make such remarks on it as might occur to him, and to prefer, when necessary, an immediate and public complaint to the court against the fiscal, if it should appear that the fiscal either had omitted out of the list the name of any person whose name he ought to have inserted in it, or had inserted in the list the name of any person whose name he ought to have omitted. After the list had undergone this public scrutiny, it was publicly ordered by the court to be considered by the fiscal as the list of all persons who were duly qualified to act as jurors in his province, and that out of which he was bound to return by rotation all persons who were required to serve as jurors at the criminal sessions held by the Supreme Court in his province. Independent of these precautions against any abuse on the part of the fiscal, every person in a province in which the court was about to hold a criminal session had public notice given him, long before the session was held, that the list in question was always liable to be publicly revised by the court at the commencement of the session, upon any complaint which might be publicly made to the court by an inhabitant of the province, either against the fiscal for any impropriety of conduct in making out the list, or against any individual on the list for any impropriety of conduct in getting his name inserted in that list. Although, therefore, the Supreme Court and its officers, the fiscals, are allowed, for convenience sake, to be the instruments through which the list of persons on the island qualified to act as jurymen is obtained, it is hardly possible, considering the manner in which in which all their proceedings in this point are watched and controlled by the people of the country, that either the court itself or its officers can exert any undue influence in the selection of jurors without such conduct being immediately known, and becoming a subject of public and general animadversion.

One of the most important of the effects which the introduction of trial by jury produced on Ceylon was to place the European judges and the native jurymen in constant communication in court upon various subjects connected with the administration of justice, and thereby remove from the minds of all classes of the natives the suspicion and jealousy with which they had previously viewed all inquiries made by Europeans into the state of their religion, of their usages, their morals and their education. As an illustration of this, we insert the following copy of the answer given by Sir A. Johnston to the address presented to him on his departure from Ceylon in 1818, by the chiefs and all the subordinate priests of Buddho, on behalf of themselves and of all the natives of Ceylon professing the Buddho religion. This address was one of the addresses to which Sir Alexander alludes in his letter to Mr. Wynn.

"I feel

* *See* pages 15 and 16, of the Eleventh Report of the Directors of the African Institution, and from page 93 to page 100 of the Appendix of that Report.

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"I feel highly gratified by the respect and esteem which you have shown for me, in coming, notwithstanding the very advanced period of your lives, from so great a distance as you have done, to take leave of me and my family, and to present to me, in your own name, and in that of all the priests of your order, and all the Buddhists within your jurisdiction, an address that cannot be otherwise than gratifying to my feelings.

"The number of the priests of Buddho, and the influence which they exercise over the minds of their followers, from being the ministers of their religion and instructors of their youth, have, for many years, made their religion, their books, their laws, and their institutions, a subject of my serious inquiry. In arranging the code of laws which, in obedience to His Majesty's commands, I have compiled for the use of the native inhabitants of Ceylon, it became my duty to compare such of the codes as are the most approved in Europe and Asia, with such of the usages and customs as are the best authenticated on this island; and to adopt such parts only of those codes as are clearly applicable to the state of the country, and as may, therefore, be expected to attain the ends of justice, without militating against the habits and prejudices of the people.

"In performing this duty, I have had frequent communications with you and with the other learned men of your order, and it is with pleasure I take the present opportunity to return to you and them my public thanks for the alacrity with which you have at all times afforded me the information required, and for the unlimited freedom with which you have permitted me to consult the books in your temples, to which I have had occasion to refer; the translations into English which you have enabled me to procure of the three most celebrated histories of your country and your religion, the Mahawanscie, Ragawalle, and the Rajaratnakarre, and the numerous extracts which you have made for me from all your other Sanscrit, Palee, and Cingalese books, together with the different works I have since obtained from the Brahmins of Jaffna, and those of the southern peninsula of India, form a most valuable collection of materials for any person who may have the desire and the leisure to write a general history of your country, and to explain at length the origin and peculiarities of the several castes, customs and usages which prevail amongst you, and which are so intimately connected with your prosperity and comfort, as to render an accurate knowledge of them not only desirable as a matter of literary curiosity, but absolutely necessary as a matter of duty to every one who may be intrusted with the administration of justice among you, or with the superintendence of the government of your country.

"The rules which the intended code contains are so short and so clear, that the inhabitants will have little or no difficulty either in understanding or applying them. I have, as you know, spared neither pains nor expense for the last sixteen years of my life, in acquiring the most intimate knowledge of the wants and interests of every class of people in Ceylon; it was solely with a view of ascertaining, in a way more satisfactory than I otherwise could have done, the degree of caution and impartiality with which the natives of the island, if admitted to the right of sitting upon juries, would discharge the duties of jurymen, in cases in which their own countrymen are concerned, that I advised the Colonial Government in 1806 to refer a certain description of cases for trial to that committee of priests at Matura, of which you were the principal members. The very judicious manner in which that committee investigated those cases, and the soundness of the principles on which the members of it relied in framing their decisions, satisfied me not only as to the policy but as to the perfect safety of intrusting the natives of Ceylon with the right of sitting upon juries. After this experiment had been tried with success, but not before, I felt myself authorized to proceed to England, and to propose to His Majesty's Government the unlimited introduction of trial by jury into Ceylon, and the formation of a simple code of laws for the use of its inhabitants. The care and attention with which all the worshippers of Buddho, as well as all the natives of other religious persuasions have discharged the duties of jurymen, show that they not only understand the nature of that mode of trial, but also that they are fully competent to enjoy the privileges which it gives them, with credit to themselves and with advantage to their countrymen. The experience which you have had for seven years of the practical effects of that establishment, and the information you have derived from the Supreme Court, as well as from the book upon trial by jury, which I have caused to be translated into Cingalese and Tamul, have naturally impressed you with the highest respect for that simple and much admired mode of trial. My observations, aided by that of some persons who are the best qualified to form an opinion upon the subject, have suggested to my mind several improvements in the present system of administering justice amongst the natives of Ceylon. Should His Majesty's Government, while I am in England, be pleased to command me to submit to them my opinion upon the subject, I shall be happy to point out for their consideration such alterations as I am aware, from my communications with you, are desired by the inhabitants and will be highly beneficial to to the interest of the island.

"The ultimate effect which any system of laws is calculated to produce in a country depends, in a great degree, upon the state of society, and upon the system of religion and morals which prevail in that country. As it has always been my wish to see the same effect produced in this country as is produced invariably in England by an independent and well administered system of justice, it has been my endeavour always to approximate, as much as circumstances would permit, the state of society and the systems of religion and morals which prevail in Ceylon to those which prevail in England. With a view to the state of society in Ceylon, I have, since 1806, left no means untried to encourage the proprietors of domestic slaves to adopt such a resolution as they, at my suggestion, unanimously adopted in July 1816; and it is a subject of sincere congratulation to all the friends of humanity in Ceylon, whether they profess the faith of Buddho, or that of Mahomet or Brahma,

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Brahma, that the unanimity with which that resolution was passed was so great as to leave no doubt of its being the sense of the people on this island, that the system of domestic slavery is equally destructive to the morals of the slave, as it is to those of the master and his children. With a view to the different systems of religion and morals in Ceylon, I, twelve years ago, after much consultation upon the subject with some of the most enlightened of the Buddhists, caused the summary of the evidences of Christianity, which was drawn up by one of the ablest of our divines, the late Bishop of London, to be translated into Cingalese, in order that you yourself might have a fair opportunity of comparing the evidence upon which we form our belief in Christianity with that upon which you form your belief in Buddhism. The conversation which many of you have frequently had with me upon those points, as well as upon the beneficial effects which may finally be expected from the general extension of Christianity, both upon the present and the rising generation of the people, have afforded me an ample opportunity of becoming acquainted with the liberal sentiments which you entertain, when properly treated, upon all questions of religion; and I reflect with satisfaction on the ready assistance which I received from many of the most rigid of the worshippers of Buddho in the translation to which I have alluded. The zeal with which the two priests of Dodanduwae have insisted upon accompanying me to England, under circumstances which to most men would have been discouraging, is at once a mark of the confidence which your body repose in me, and of the spirit of inquiry and of the desire of information which has arisen amongst them. These young men will, no doubt, from the knowledge which they possess of your literature and religion, and the variety of their other acquirements, be of considerable use to me in translating into Cingalese the code which I am about to submit to His Majesty's Government in England, and will have the best opportunity that could have occurred to them of becoming acquainted with the real effect which the principles of our religion unquestionably have had in enlightening the understanding, and improving the morals of the inhabitants of that most celebrated country.

" I have the honour to be, &c.

" *Alexander Johnston.*"

(C.)

COPY of a MEMORANDUM drawn up by Sir *Alexander Johnston* for the late Marquis of *Londonderry*, of some alterations which he thought advisable in the System for administering Justice in *India*. The plan, in as far as it related to the Supreme Courts to be tried in the first instance in the Territories under the Madras Government.

THE Supreme Court at Madras to consist of six judges, to have a criminal jurisdiction over all the territories and persons, natives as well as Europeans, under the Madras government.

The judges to make frequent criminal circuits throughout those territories, having native grand and petty juries for the trial of native offenders at each place where they hold their criminal sessions.

The Sudder Adawlut (the Supreme Civil Court) at Madras to consist of the judges of the Supreme Court, and a certain number, as at present, of the Company's senior civil servants.

A person, either from the Scotch, the English, or the Irish bar, to be attached as legal adviser to each of the four provincial courts under the Madras government.

An Act to be passed, specifying what part of the English law shall apply to the British and other Europeans in India.

That a Hindoo code, for the use of all the Hindoos under the Madras government, be forthwith drawn up in communication with the best informed Hindoos in each of the provinces under the Madras government.

That a Mahomedan code, for the use of all the Mahomedans under the Madras government, be drawn up in communication with the best informed Mahomedans, in each of the provinces under that government.

That a regulation be framed, specifying the nature of the different Acts, which are to be deemed criminal offences, and the nature of the punishment which is to be attached to each of those acts.

That the Hindoo and Mahomedan code, and this last mentioned regulation, be translated into all the different languages which prevail throughout all the British territories under the Madras government, and that they be published throughout those territories.

That all the respectable natives of the country be admitted to act as frequently as possible as grand and petty jurymen, as judges, and as magistrates, under the superintendence and control of the Supreme and Company's courts.

That the proceedings in the Company's courts be carried on in the most usual language of the people of the country in which they are established; that writing be dispensed with as much as possible in those proceedings; and that all suits be decided as near as possible to the homes of the parties and witnesses who are concerned in them.

That a code be made of all the different maritime customs and laws, of all the different classes of natives of India who trade with any part of the coasts of the Company's territories in India, and that it be translated into all the different languages which are in general use amongst those people, and that it be made as public as possible amongst them.

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That native as well as European judges be appointed at the most convenient ports, to decide, with the least possible delay and expense, all such maritime cases as may be brought before them.

That a right of appeal be allowed from all the superior courts in India to the court in England for hearing India appeals in all cases of a certain amount, and a certain description.

That the court in England for hearing India appeals be composed of the judges who retire upon pensions from the Supreme Courts in India, Ceylon, the Isle of France, and the Cape of Good Hope, and of some of the Company's retired civil servants, who have been judges of the Courts of Sudder Adawluts in India; and that it be perfectly understood, that the judges are to receive no other remuneration than their pensions for belonging to this court.

That the President and one other of the members of His Majesty's Privy Council, being a lawyer of professional eminence and high rank, be appointed by His Majesty to preside in this court.

That a certain number of the judges of this court be in regular attendance for the purpose of trying all such cases of appeal as may come before them.

That they deliver into both Houses of Parliament, at the commencement of each session, a statement of the number of cases which have come before them, the number which they have decided, and the number, if any, that are in arrear.

That they also deliver into both Houses of Parliament, once every year, a report of the state of the system for administering justice in India, specifying what defects they have observed in that system, and what improvements they propose.

That the judges of all the different Supreme Courts in India be appointed as the judges in England are appointed, not during pleasure, but during good conduct, and that they be removable from their offices only by addresses from both Houses of Parliament to the King.

THIS Paper was drawn up by Sir Alexander Johnston, at the request of the present Master of the Rolls, who agreed with Sir Alexander in thinking it would be an improvement in the present system of Indian judicature, even were no further alteration introduced, to unite the Chief Justices of the Supreme Courts in British India with the Judges of the Sudder Adawluts. As this Paper is founded upon a shorter one, which was delivered to Lord Londonderry, in 1822, it is added to the foregoing Paper, for the purpose of showing the utility of uniting the King's and Company's Judges in India in the manner proposed in the third clause of that Paper.

THE measure of making the Chief Justice of the respective King's Supreme Courts at Bombay, Madras and Calcutta, members of the respective Company's Sudder and Nizamut Adawlut Courts, at each of these Presidencies, will be attended with very great advantages—

1st. To the King's judges of the Supreme Courts.
2d. To the Company's judges of the Sudder and Nizamut Adawlut Courts.
3d. To the native inhabitants of the country.
4th. To the East India Company's government at Bombay, Madras, and Calcutta.
5th. To the King in Council, as a court of appeal from the Courts of Sudder and Nizamut Adawlut at those Presidencies.

1st. To the King's judges of the Supreme Courts, for the following reasons:

It will afford them the most efficient means of obtaining authentic information upon all local questions; make them thoroughly acquainted with the religious and moral feelings of the natives of the country; with their prejudices; with all the peculiarity of castes which prevail amongst them; with the manners and customs of the different inhabitants, to what ever caste or religious pursuasion they may belong; with the various revenue and police regulations of the local government; with all the modifications of the Hindoo law, as it prevails in civil cases, and those of the Mahomedan law, as it prevails both in civil and in criminal cases, throughout the whole of the territories which are under the respective Presidencies, and thereby enable them to exercise the different judicial powers with which the King's Supreme Courts are invested at Bombay, Madras, and Calcutta; in such a manner as to attain the real and substantial ends of justice, without militating against the feelings and prejudices of the people.

2d. To the Company's judges of the Sudder and Nizamut Adawlut Courts, for the following reasons:

It will afford those judges who have not had a legal education, by personal and habitual communication upon the subject with the King's judges, the most efficient means of becoming thoroughly acquainted with the general and fundamental principles of law, and with the high feelings of judicial independence which so peculiarly characterises the British judges; and will thereby give them additional confidence in their own judgments, and a higher opinion of their own independence, as judges; and inspire the natives of the country with more implicit confidence in the wisdom and impartiality of their decisions.

3d. To

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3d. To the native inhabitants of the country, for the following reasons:—

It will not only make them acquire, but make them believe that they have acquired, an additional security for their lives, their liberty, their property, their religion, and their ancient customs; to such of them as live within the local jurisdiction of the respective King's courts, by making them believe that the judges of those courts possess not only what they now allow them to possess,—well-informed judicial understandings, and a high sense of judicial independence, but also that which they at present do not conceive them to possess,—a thorough knowledge of the native manners, local customs, native laws, religion and caste. To such of them as live without the jurisdiction of the King's, and are solely under that of the Company's courts, by making them believe that by appeal at least to the Sudder and Nizamut Adawlut's, of which the Chief Justice of the Supreme Court is a member, they will receive the same protection from the judges of those courts as they would do from the judges of the Supreme Courts, an advantage of immense importance, when it is recollected that every native of the country, not residing within the local jurisdiction of one of the Supreme Courts, is subject to be tried for every criminal offence, capital or not, with which he may be charged, according to the very obscure and very uncertain rules of the Mahomedan law; without a jury, and by judges, who, however able and respectable they may be, are sent out to India at a very early period of their life, as mere civil servants of the East India Company, and without having had any previous legal education or practice to prepare them for the judicial offices to which they are afterwards appointed in India.

4th. To the East India Company's governments at Bombay, Madras and Calcutta, for the following reasons:—

1st. It will, by making the Chief Justices of the King's Supreme Courts members of the Company's Courts of Appeal, the Sudder and Nizamut Adawlut's, both in criminal and in civil cases, unite in spirit and feeling, though not in name, the King's system with the Company's system of administering justice in India. In criminal cases, by putting an end, in some degree, to the strange and anomalous distinction which at present prevails between the situation of those native subjects of the East India Company who live within, and those who live without, the local jurisdiction of the Supreme Courts; the former, at present, if they be charged with the commission of a criminal offence, having the advantage of being tried for that offence according to the clear and precise rules of the English criminal law, by King's judges, who have had a regular legal education, and by a jury of Englishmen; the latter, at present, if they be charged with the commission of the very same kind of offence, being deprived of all those advantages, and being liable to be tried according to the obscure and uncertain rules of the Mahomedan criminal law, by civil servants of the East India Company, who never have had any legal education, and without a jury of any description whatever. In civil, by extending in all cases of an appealable amount, to those native subjects of the East India Company who live without the jurisdiction of the Supreme Courts, the advantage which at present is enjoyed by those only who live within the jurisdiction of the Supreme Court, of having their civil suits decided in appeal by a King's judge, who has had a regular legal education.

2d. It will also, by affording the additional security to the natives which has just been described, in all cases, as well in those which relate to the questions of land, agriculture and manufacture, as in those which relate to revenue, improve the state of the agriculturers, manufacturers and traders, and relieve the people of the country from many of the oppressive measures which are adopted towards them by the native subordinate agents of Government, who at present are so apt to identify, in the opinion of the European collectors, the necessity of oppressive acts with the prompt and certain collection of the revenues, as in some degree to make the collectors themselves connive at their misconduct, for fear of diminishing the amount of the revenue collected in their respective districts.

3d. It will also, by thus rendering more secure the lives, the liberty and the property of all the native subjects of the East India Company, whether they live within or without the local jurisdiction of the King's Supreme Courts of Bombay, Madras and Calcutta, increase the interest which those native subjects feel in the permanent continuance of those governments; at the same time that it will, in consequence of the union of the two systems of administering justice, diminish the probability and the frequency of those collisions between the King's courts and the Company's local governments, which, as long as the present state of the judicial establishments in India remain, it is very difficult, if not impossible, to prevent, and which must always inevitably diminish the authority both of the respective courts and of the respective governments in the eyes not only of the native subjects of the East India Company themselves, but also in the opinion of those native governments which are established in different parts of Asia.

5th. To the King in Council, as a court of appeal from the Courts of Sudder and Nizamut Adawlut, at Bombay, Madras and Calcutta, for the following reasons:—

From the Chief Justice of the Supreme Courts, who is a member of the Sudder and Nizamut Adawlut, being thoroughly acquainted with the nature of the proceedings which take place before the King in Council in England, the Courts of Sudder and Nizamut Adawlut will become aware, not only of the information which ought to be sent home by them to the King in Council, in order to enable them to form their opinion without delay upon the cases appealed to them, but also of such steps as it is their duty to instruct the natives who are concerned in these appeals to adopt, in order to bring the appeals to a speedy decision and hearing in England, and thereby prevent the recurrence in future of such

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such delay and inconvenience as has hitherto been incurred, both by the parties interested and by the government of the country, in those cases between natives of India which have come by appeal before the King in Council from the three Courts of Sudder and Nizamut Adawluts of Bombay, Madras and Calcutta. It was for these reasons that the late Marquess of Cornwallis and the late Lord Melville were of opinion that the addition of the King's judges of the respective Supreme Courts to the Company's judges of the respective Sudder and Nizamut Courts would be a great improvement in the system for the administration of justice in the Company's territories in India. It was for the same reasons that the late Lord Melville, when, as Secretary of State for the War and Colonies, he framed in 1801 a system for the administration of justice in the King's possessions on the Island of Ceylon, made the chief and puisne justices of the Supreme Courts on that island members of the High Court of Appeal, which had formerly been composed of civil servants in the King's service, in the same way as the Courts of Sudder and Nizamut Adawluts in the Company's territories are now composed of civil servants in the Company's service, and which High Court of Appeal has the same sort of appellate jurisdiction over the inferior courts composed of King's civil servants in different parts of the Island of Ceylon as the Courts of Sudder and Nizamut Adawlut exercise over the different inferior courts composed of Company's civil servants in different parts of the Company's territories in India. It was for the same reasons that the late Marquess of Londonderry, in 1810, informed Sir Alexander Johnston that he was perfectly convinced, from his long experience in Indian affairs, that the manner in which the High Court of Appeal was constituted in the King's possessions in Ceylon, partly of the King's judges and partly of civil servants, was preferable in every respect to that in which the Courts of Sudder and Nizamut Adawlut in the Company's territories were constituted, viz. solely of the Company's civil servants. It was for the same reason that Sir Alexander Johnston, (while, as Chief Justice and President of His Majesty's Council in Ceylon, he was employed in revising the judicial establishments of that island in 1810, after twelve years' experience of the advantageous effects which had been produced on Ceylon by the union of the judges of the Supreme Court with the civil servants in the High Court of Appeal in Ceylon,) advised His Majesty's Government to continue this method of constituting the Court of Appeal on Ceylon, as one which was of the greatest advantage, not only to the King's judges and the civil servants themselves, but to the natives of the country and the government of the island.

(D.)

THIS Paper was written in 1831. It contains a Copy of the Paper which, in 1826, Sir Alexander Johnston gave to Mr. Wynn, then President of the Board of Control, and to some of the other Members of the Privy Council; and also a Copy of some suggestions relative to the Appellate Jurisdiction of the King in Council in Indian Appeals, which Sir Alexander, at the request of the Lord Chancellor, Lord Brougham, gave to his Lordship in November 1830.

THE number of appeals to the Privy Council from the three courts of sudder adawlut, in India, which have remained for so many years unheard and undecided, have been productive of the greatest expense and inconvenience to the parties who are interested in them, and are likely to diminish, in the opinions of the natives of India, the respect which they would otherwise entertain for the administration of justice by British judges in British courts of judicature; we therefore conceive it will be interesting to those who are connected with India to know the different steps which have been taken by Sir Alexander Johnston, the late President of His Majesty's Council in Ceylon, since his return to England, with a view of remedying the inconveniences which have been felt by the natives of India, in consequence of the great delay which has hitherto occurred in deciding those cases which have been appealed from the several courts of sudder adawlut in India to the King in Council in this country; we therefore publish the paper upon the subject, which was written and given to Government by Sir Alexander Jonston, in 1826, as appears in his evidence before the Committee of the House of Lords.

The real object of the British constitution in considering the King in Council as a court of appeal from the different courts established in all the British colonies is, to secure, through those courts, and their respective judges, for all the inhabitants of those colonies, whether Europeans or natives, by placing them directly under the protection and superintendence of His Majesty in Council, the strict observance of those different systems of law which the legislature has deemed wise to establish amongst them.

As it is, therefore, the duty of the King in Council as a court of appeal, to afford that protection to the inhabitants of those colonies, by affirming all such decisions of the colonial courts as may be in conformity with those systems of law, and by reversing all such decisions as may be in opposition to the same systems of law, it is obvious that the King in Council, in order that they may discharge their duty as a court of appeal with the least possible delay, expense and inconvenience to the parties who are concerned in appeals, and also, in order that they may, at the same time, by the soundness and promptitude of their decisions, encourage those who really believe themselves to be aggrieved, discourage those who put in an appeal merely for the purpose of gaining time or oppressing their adversary, should themselves not only possess a thorough knowledge of all the different systems of colonial law, but should always have sufficient leisure to attend to each case of appeal as soon as it is brought before them.

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The King in Council, in addition to the appellate jurisdiction which they exercised over the British colonies in the West Indies, and in North America, previous to the year 1773, have, since the year 1773, been, from time to time, vested, by different Acts of Parliament, royal charters and royal institutions, with an immense appellate jurisdiction over all the colonies which have, since that period, been acquired by the British arms, at the Cape of Good Hope, on the Isle of France, on the island of Ceylon, and in the East India Company's territories in the East Indies.

The appellate jurisdiction with which the King in Council has been vested since the year 1773, in as far as it relates to the colonies which have just been mentioned, extends over eleven supreme courts; viz. eight King's and three Company's courts, which have been established in the King's possessions at the Cape of Good Hope, in the Isle of France, and in the island of Ceylon, and in the East India Company's possessions at Calcutta, Madras, Bombay, and the Prince of Wales's Island. In order to understand thoroughly the nature of these different courts, as well as the nature of the different systems of law according to which they are bound to proceed, it may be necessary to consider them in detail.

The following are the different courts in those colonies over which the King in Council exercises an appellate jurisdiction.

The following four are established in King's settlements, viz.—
The King's Court at the Cape of Good Hope.
The King's Court at the Isle of France.
The King's Supreme Court of Justice, } In Ceylon.
The King's High Court of Appeal, }

The following seven are established in the East India Company's settlements:
The King's Supreme Court at Calcutta.
The King's Supreme Court at Madras.
The King's Supreme Court at Bombay.
The King's Recorder's Court in Prince of Wales's Island.

The Company's Courts, called,
The Sudder Dewanee Adawlut, at Calcutta.
The Ditto, at Madras.
The Ditto, at Bombay.

These three last courts are established by the East India Company, under the authority of different Acts of Parliament; these are the three high courts of appeal established at Calcutta, Madras and Bombay, to which an appeal lies in certain cases from every inferior court established by the Company in every part of the three presidencies of Calcutta, Madras and Bombay, consisting in all of upwards of 80 separate courts, composed of upwards of 120 judges, and from which three Company's high courts of appeal an appeal lies, in cases of a certain amount, to the King in Council.

The jurisdiction of the court at the Cape of Good Hope extends over all cases, all civil persons, and all lands in that colony.

The jurisdiction of the court at the Isle of France extends over all cases, all persons, and all lands in that colony.

The jurisdiction of the supreme court, and that of the high court of appeal in Ceylon, taken together, include every case whatever, of a certain amount, which can occur on that island.

The jurisdiction of the three King's supreme courts at Calcutta, Madras and Bombay, and that of the three Company's high courts of appeal, called Sudder Adawluts, taken together, include every case, of a certain amount, that can occur within the three presidencies of Calcutta, Madras and Bombay.

The jurisdiction of the King's Recorder's Court, on the Prince of Wales's Island, and that of the subordinate courts in the settlements of Malacca and Singapore, include all cases that can occur, of a certain amount, within those three settlements.

The system of law which prevails in each of the above colonies is as follows:

At the Cape of Good Hope:—The law in force in this colony is what is called the Dutch Roman law, modified in some instances by the colonial regulations made by the Dutch, and the English colonial governments respectively.

Isle of France:—The law in force in the Isle of France is the Roman law, as modified during the French revolution in France, and as still further modified by the colonial regulations made by the French and the English colonial governments respectively.

Island of Ceylon:—1st. The law in force in the island of Ceylon, in as far as it relates to the Dutch, English and Cingalese inhabitants of the maritime parts of that island, is the Dutch Roman law, modified by the colonial regulations of the Dutch and English Governments.

2d. In as far as it relates to all the Mahomedan inhabitants on the island, the Mahomedan law, as observed amongst the Mahomedans of Arab descent, who inhabit the coasts of Malabar and Coromandel.

3d. In as far as it relates to the *Cingalese* inhabitants of the Kandian country, or interior of the island, the Buddhist law (with some local modifications), as observed amongst the Buddhist inhabitants of the Birman empire and Siam.

 4th. In

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4th. In as far as it relates to the Hindoo inhabitants of the north-west, north and north-east parts of the island, the Hindoo law (with some local modifications), as observed amongst the Hindoo inhabitants of the Peninsula of India.

5th. In as far as it relates to the people called Morquas, who inhabit two considerable provinces in Ceylon, the one on the south-east, and the other on the north-west side of the island, the Hindoo law, as observed amongst the Hindoo inhabitants on the coast of Malabar.

6th. In as far as it relates to maritime causes between the natives of India, the Mallealun and *Malay* maritime law.

The East India Company's three presidencies of Calcutta, Madras and Bombay, and the Settlements of the Prince of Wales's Island:—

The law in force in the whole of the above territories of the East India Company, in as far as it relates to the European inhabitants, is the English law, as introduced into those territories, and modified by the several charters of justice, by which the several King's courts have been established in them. In as far as it relates to the immense population of the Hindoo inhabitants, the Hindoo law; and in as far as it relates to the Mahomedan inhabitants, the Mahomedan law; both these laws subject, however, to the modifications which have been introduced into both of them by the East India Company's local regulations.

From the above considerations it appears, First, that the King in Council, as a court of appeal from the eleven supreme courts which have just been mentioned, exercises an appellate jurisdiction which, directly and indirectly, in as far as it relates to persons, includes a population of upwards of 80 millions of people; in as far as it relates to territory, includes countries, which, independent of the Cape of Good Hope, and the Isle of France, extend to upwards of 1,400 miles in length, and nearly as many in breadth, and which comprises the chief part of that vast region which is bounded by the Indus in the north-west, the great range of the Thibetean Mountains in the north-east, and by the Ocean on the south-east and south-west; and in as far as it relates to the nature of the cases which may be brought before the King in Council by appeal, includes every question of contract, inheritance, land and revenue, of a certain amount, in which, besides all the great interests of the Crown, and of the nation, not only the immense revenue of the East India Company, upwards of 15,000,000*l.* sterling a year, and the tenure of every foot of land in their dominion, but also every religious and moral feeling, as well as every prejudice of the people of every religion in the country, are most deeply concerned.

Secondly, That the King in Council may, as a court of appeal from those courts, be called upon to decide questions of the utmost importance to the prosperity and tranquillity, not only of the Cape of Good Hope, the Isle of France and Ceylon, but of every part of India; to consider questions, not only of English, French and Dutch colonial laws, but some of the most intricate questions of Hindoo, Mahomedan, and Buddhist law. That their construction of such laws must form the rule of decision as to those laws, not only for every court superior, as well as inferior, established at the Cape of Good Hope, Isle of France and Ceylon, but also for every court superior, as well as inferior, established in every part of India; and finally, that they are called upon for the due protection of upwards of 80,000,000 of inhabitants to exercise a vigilant superintendence, and a prompt control over upwards of 150 judges, situated between 14,000 and 16,000 miles off from the mother country.

Considering the variety of the different jurisdictions, and of the different systems of law which have been described, it seems obvious, that the persons who from their local knowledge and their leisure are the best qualified for deciding cases in appeal, from the Isle of France, Cape of Good Hope, Ceylon, and the Company's possessions in the East Indies, are those King's judges who, after having held in the King's and Company's colonies, for many years, some of the highest and most responsible judicial situations in the gift of the Crown, are allowed to retire upon pensions granted to them for life by the Crown, not only as a reward for their services, but as a mark of public approbation. Their having been appointed to those offices is a proof that they originally were men of known character in their profession. Their having been allowed to retire from office upon pensions is equally a proof that their conduct, while in office, was such as deserved the approbation of their Government. Their legal education makes them aware of the sort of local information which it is necessary for them to acquire. Their long residence in the colonies, and the influence they derive from their judicial situations, afford them the very best opportunity of acquiring the most authentic information; and the age at which most of them are appointed to those situations enables them to avail themselves of that opportunity while in the full vigour of their understanding.

As it is, therefore, highly advisable that the King in Council be enabled to avail themselves, as a court of appeal, of the assistance of these judges; and as objections may possibly occur to the King's appointing them members of the Privy Council, it is proposed that His Majesty in Council be empowered by a legislative act, from time to time, to call upon such of these judges as he may think proper to act as legal assessors to the King in Council whenever they sit as a court to hear appeals from the colonies.

A court of appeal so constructed must always be efficient, and must always be popular in the colonies; it must be efficient, because it must always have in it at least some members

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bers who are thoroughly acquainted with the peculiar system of colonial law, according to which the court is bound to decide, and with the local circumstances of the people amongst whom that law prevails; who, from long residence in colonies, feel an interest in colonial questions; who, from having retired from office on pensions, have leisure to attend the court whenever their presence may be necessary; and who, from not having the excuse which other members may have, of official avocations, want of time, and want of local knowledge, must feel themselves to be acting under a much higher degree of responsibility to the public, both as to the soundness and to the promptitude of their decisions.

It must always be popular in the colonies, because it is composed of men, who, as the inhabitants of the colonies themselves know, were originally appointed judges in the colonies by the Crown, with great salaries, and with high rank, for the express purpose of securing for the inhabitants a strict observance of their laws, and for affording to the inhabitants the most ready protection and redress against any oppression which might be offered to their persons or their property; of men, to whom the inhabitants themselves have always, for this reason, been accustomed to look up as to the most faithful of their protectors; of men, whom the inhabitants themselves believe to feel an interest in their welfare: whom they know to be thoroughly informed with respect to their laws and customs; and who, they therefore conceive, will be always ready and able to decide upon such cases as are brought before them in appeal from the colonies, with the least possible delay, expense and inconvenience to the parties who are concerned.

The measure of associating the colonial judges who retire upon pensions from their office as legal assessors, with the members of the Privy Council, will be gradually attended with the most beneficial effects, as well to the colonies themselves as to His Majesty's Government. To the colonies, because it will afford to the colonies, from time to time, as the judges respectively return to England, and retire upon their pensions, an opportunity of having the state of their laws, and that of the administration of justice amongst them, brought before His Majesty in Council in the most authentic shape, by persons in whose knowledge, integrity and judgment, they have the fullest confidence.

To His Majesty's Government, first, because it will enable the King in Council to make a perfect collection of all the different colonial systems of law which prevail in the British colonies, and to ascertain, from the most authentic sources, what effect each of those systems has in its respective colonies, what alteration is required in those systems, and how such alterations may be introduced with advantage to the people.

Secondly, because it will enable His Majesty in Council to derive their information from men whose legal education in England, and whose local experience in the colonies, qualify them to give their opinion upon the subject, both as English lawyers, conversant with the principles of the British constitution, and as colonial lawyers, conversant with the real state of the British colonies; and therefore qualify them to apply the general principles of the law, and the general principles of the British constitution, to the local peculiarities and to the state of society in the British colonies.

Thirdly, because it will accustom the colonies to consider the King in Council as a tribunal in which their respective interests are thoroughly understood; in which every question relative to them will not only excite a proper degree of interest, but will receive the earliest consideration, and in which they may, therefore, be certain of receiving immediate redress on any occasion in which they may feel themselves aggrieved.

As many cases in which both appellants and appellees are natives of India have been for many years in appeal before the King in Council, from the courts of sudder adawluts of Bombay, Madras and Calcutta, and as they have not been prosecuted before the King in Council owing to the parties concerned not having appointed any agents to act on their behalf in England, it is proposed, in order to get rid of all the cases of this description which are now in appeal, and in order to prevent, for the future, the very great inconvenience which has occurred from the natives of India not having appointed agents in England, and from their ignorance of the steps which they ought to take in England when they appeal to the King in Council, that the East India Company should appoint in England one of the civil servants, who is thoroughly acquainted with the proceedings of the zillah, provincial and sudder adawlut courts, under the three presidencies of Bombay, Madras and Calcutta, whose duty it shall be, acting under instructions, to take care that all cases of appeal from the three above courts to the King in Council, in which natives of India are appellants and appellees, shall, provided the parties themselves shall not have appointed agents to act for them in England, be immediately brought forward before the King in Council, and be dealt with by them as the circumstances of the case may require.

Although what has been said applies more immediately to the Cape of Good Hope, the Isle of France, Ceylon, and the East India Company's possessions in India, the plan which has been proposed is just as applicable to the British colonies in North America, the West Indies, Trinidad, St. Lucia, Demerara and Berbice. The cases which are appealed from the West Indies being mostly cases of equity, those from North America and St. Lucia cases either of the ancient or of the more modern French law, those from Trinidad of the Spanish law, and those from Demerara and Berbice of the Dutch law, and therefore as much within the knowledge of those judges who have been alluded to, as the cases which come from the colonies, with which they have been more immediately connected.

We understand that in consequence of the suggestions contained in this paper, Mr. Clarke, of the Madras civil service, has been employed for some time by the Court of Directors, to prepare the whole of the Indian appeal cases so long in arrear before the Privy Council, for the consideration of the Privy Council, and that most, if not the whole of them, having been so prepared, Sir Alexander, about a year ago, submitted to Government the following plan

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plan, the object of which is, by means of the Indian judges who are retired to this country upon their pensions, not only to get rid of, without any additional expense to the public, and without any delay whatever, all such cases as are now in arrear, but also to prevent for the future all arrear in such cases, and to enable the British Government and the British Parliament to become thoroughly acquainted with all those systems of local laws which prevail amongst the different classes of natives in India, and which form the laws according to which the courts in India, as well as the Privy Council, are bound to decide all cases in which their property and their interest are directly concerned.

1st. That the Government do forthwith appoint a certain number of the Indian judges who are retired in England upon their pensions, to act either as members of the Privy Council, or as assessors to the Privy Council, in hearing and deciding upon all cases in appeal from any of the courts established in the East India Company's territories in India, on the island of Ceylon, on the Mauritius, and at the Cape of Good Hope.

2d. That these judges do forthwith draw up, in communication with the Lord Chancellor, the President of the Council, and the President of the Board of Control, such rules and orders as may enable the Privy Council to decide upon, without delay, the appeal cases from India, which have been so long pending, and to hear and to decide, as soon as they come before them, all future appeals from India.

3d. That they sit, from day to day, till they have got rid of all the appeals from India which are now pending.

4th. That one of them shall always be in attendance at the office of the Privy Council, and shall report to the Council, as soon as any appeal arrives from India, the nature of such appeal, and the steps which it may be necessary to take for the immediate hearing and decision of that appeal.

5th. That they forthwith draw up, for the information of the Council and the public, a full statement and explanation of the history and nature of the different systems of law which prevail amongst the inhabitants of British India, of the Island of Ceylon, of the Mauritius, and of the Cape of Good Hope; and amongst all the natives of Africa, Arabia and Asia, who navigate the Indian Ocean and the adjoining seas, and who trade with any part of the coast of Malabar and Coromandel, and with any part of the coasts of Ceylon, and the Mauritius, and Cape of Good Hope.

6th. As the specific grounds upon which the King in Council form their judgment in cases of appeal from India, ought, as soon as possible after that judgment has been given officially, to be made known to all the natives of India who are subject to the British courts in India, a printed copy of the published report of each case be officially sent by the Court of Directors to every sudder adawlut, provincial and zillah court, in India, with a positive order that such a report shall be forthwith, under the superintendence of the court, translated into each of the country languages which are in the most common use in the province in which the court is stationed, and publicly read and explained by an officer of the court to the natives of the country, in such a manner as the grounds of the decision of the King in Council being once understood by the natives themselves, may prevent them in future from incurring the unnecessary expense and delay of an appeal upon any point of law upon which the King in Council may have already given their opinion.

(E.)

A PAPER containing the Plan adopted by Sir Alexander Johnston on Ceylon, for collecting Materials for framing a Hindoo and Mahomedan Code, for the use of the Hindoo and Mahomedan Natives of that Island.

At a Council held at the King's House, 31st December 1811;

Present,—His Honour the Lieutenant Governor, the Honourable the Chief Justice and President of His Majesty's Council, the Honourable the Puisne Justice, the Honourable the Chief Secretary to Government, the Honourable the Commissioner of Revenues;

AN extract of a letter from the Earl of Liverpool to his Excellency the Governor of these settlements is read; communicating his Royal Highness the Prince Regent's pleasure, that all the different classes of people who inhabit the British settlements on the island should be governed as nearly as circumstances will admit, according to their ancient customs, and that the Chief Justice do prepare for their use a short and simple code of laws founded upon those customs, and divested of all technical languages.

The Chief Justice and President of his Majesty's Council thereupon submits to the Lieutenant Governor in Council the following as the plan which he intends to adopt, should it meet with their approbation for carrying into effect the wise and benevolent object which his Royal Highness has in view:—

1st. The Chief Justice will, with the concurrence of his Honour the Lieutenant Governor, immediately select a certain number of persons from each district to report to him upon the

the nature of the laws and customs which at present prevail in the different parts of this island, and to point out to him such alterations in them as they may think expedient.

2d. The persons whom the Chief Justice will select for this purpose will be such only as are the most distinguished in their respective districts for their integrity and good conduct, as well as for their thorough knowledge of the religion, customs, habits and local interests of the people.

3d. As soon as the Chief Justice shall have received the reports from the several districts, he will draw up from the information contained in them, such a code of laws as the Prince Regent has commanded.

4th. The Chief Justice will cause a Dutch, Portuguese, Cingalese and Tamul translation of this code to be publicly exhibited for one year in each district, in order that every one of His Majesty's subjects in these settlements may have the fullest opportunity of considering the code, and making such objections to it as may occur to them.

5th. The Chief Justice having thus taken the sense of His Majesty's subjects upon the code, and made such alterations in it as the further information he shall have received in the course of the year may have rendered necessary, will then submit it for the consideration of the Governor in Council in order that they may forward it to his Royal Highness the Prince Regent for his royal approbation.

The above plan being fully approved of by all the members of Council, the Lieutenant Governor in Council orders that it be published, together with the proceedings held thereon, for the information of His Majesty's subjects on this island.

(F.)

COPY of a LETTER from the Right Honourable *C. Grant*, to Sir *Alexander Johnston*.

Sir, India Board, 29th March 1832.

I TAKE leave to address you on a subject, the importance of which will, I trust, sufficiently apologize for requesting your attention, and, if you please to give it, your assistance in bringing it to a satisfactory settlement.

The Board have had, for some time, under their consideration the state of the outstanding appeals to the King in Council from the Sudder Courts in India.

On the 22d February 1831, a letter was addressed by the Court of Directors to the Indian governments, desiring to know their sentiments on the best course to be pursued; and especially in reference to a suggestion that counsel should be appointed for both parties in this country, by the Court of Directors, to carry on the appeals to a decision. The Court particularly wished to ascertain in what light such a measure (to be tried in the first instance experimentally) was likely to be received by the natives of India.

Answers have been received from Madras and Bombay.

No answer as has yet been received from the Bengal government; but the Board are strongly impressed with the necessity of some efficient measure being resorted to for clearing off those appeals, and for the disposal of such as may hereafter be preferred.

A memorandum on the subject has, at my request, been prepared by Mr. Richard Clarke, a gentleman who, from particular circumstances, is minutely informed of the situation of these outstanding appeals. In order to assist their judgment as to the best mode of proceeding, the Board are desirous of submitting these papers to some gentlemen of general ability and information, as well as of local experience, requesting them to consider the subject in all its parts, and to report to the Board their opinion and observations.

Presuming that you may not feel disinclined to afford your valuable aid to the Board in their deliberations on this important subject, I take the liberty of mentioning that the other gentlemen whom I address on this occasion are Sir Edward Hyde East and Sir James Mackintosh, and I should be happy to know if you will consent to meet them at such times as may be agreed upon, in order to carry into effect the object in question.

I have the honour to be Sir,
Your obedient humble Servant,
C. Grant.

COPY of Sir *A. Johnston's* Answer to the Right Honourable *Charles Grant.*

Sir, 19, Great Cumberland Place, 30th March 1832.

I HAVE the honour to acknowledge the receipt of your letter of this morning, and beg leave to assure you that I shall be most happy to afford the Board any aid in my power in attaining the important object which you have in view with respect to the appeals from India, and that I shall be ready to meet Sir Edward Hyde East and Sir James Mackintosh at any time you may appoint.

My attention has been long directed to the proceedings of the Sudder Adawlut Courts of Bombay, Madras and Calcutta, and to those of His Majesty's Privy Council in this country as a court of appeal from those courts.

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In consequence of a request made to me by the late Marquess of Londonderry, while I was Chief Justice and President of his Majesty's Council in Ceylon, I gave the subject in all its bearings the most deliberate consideration: I made two journies by land from Cape Comoreen to Madras and back again, for the purpose of becoming thoroughly acquainted by local observation with the proceedings in the Zilla, Provincial and Sudder Adawlut Courts under the Presidency of Madras. I examined while in England in 1809 and 1810, with the assistance of the late Mr. Chalmers, the then clerk of the Council, all the proceedings which had taken place, and all the orders which had been made in every case of appeal from the colonies to the Privy Council, from the reign of King William down to that period.

In 1822, I gave the Marquess of Londonderry at his request a paper, of which No. 1 is a copy, containing my opinion as to the improvements which ought to be introduced into the system of administering justice in the territories under the Presidency of Madras, and also as to the measures which ought to be adopted for rendering the Privy Council an efficient court of appeal, in cases appealed from the Courts of Sudder Adawlut at Madras, Bombay and Calcutta.

In consequence of Lord Londonderry's death, no steps were taken upon the subject at that time; and in order again to call the attention of the Board of Control, and his Majesty's Ministers to a question of so much importance, I drew up the paper, of which No. 2 is a copy, in 1826; gave copies of it to Mr. Wynn, the then President of the Board of Control, to Sir Robert Peel, the then Secretary of State for the Home Department, and to Mr. Wilmot Horton, the then Under Secretary of State for the Colonies, and suggested to Lord Lansdown the propriety of moving in the House of Lords, as he subsequently did, for a return of all the cases of appeal in arrear from India. In that paper I proposed, as you will perceive, that the Court of Directors should appoint one of their civil servants acquainted with the proceedings of their courts in India to arrange all the papers connected with the appeals from the Sudder Adawluts then pending before the King in Council. I shortly afterwards explained my ideas upon the subject to Mr. Richard Clark, a civil servant of the Madras establishment, with whom I had been long acquainted, and, conceiving him to be fully qualified for the purpose, advised him to offer to the Court of Directors to undertake the service to which I allude, and mentioned him to Mr. Wynn as the fittest person the court could appoint.

In consequence of my advice, a communication was opened between the Privy Council and the Court of Directors through the Board of Control upon the occasion. Mr. Clark was examined before the Privy Council. I had a great many interviews with the Company's solicitor, Mr Lawford, upon the subject, and the result of all these different steps has been to enable Mr. Clark to examine and to arrange all the papers connected with these appeals in such a manner as will render it very easy for Sir Edward H. East, Sir James Mackintosh and myself whenever we meet to propose to the Board such a plan as may enable the Privy Council to take steps for bringing those cases which have been so long in arrear to a speedy decision, and for preventing the occurrence of any unnecessary delay in future.

I have the honour to be, Sir,
Your most obedient humble Servant,
A. J.

COPY of the Joint-Opinion of the Right Honourable Sir *J. Mackintosh*, the Right Honourable Sir *E. H. East*, and Sir *Alexander Johnston.*

WE, the Right honourable Sir James Mackintosh, the Right honourable Sir Edward Hyde East, and Sir Alexander Johnston, at the request of Mr. Grant, have taken into our serious consideration the important case which relates to the almost total failure of the appellate jurisdiction of the Company's courts in India to the King in Council. This jurisdiction has now existed for more than 40 years, and during that time, in which about 50 appeals have been entered, only three have been brought before the Council in a condition which rendered it possible to give judgment upon them; and therefore no part of this failure is attributable to delays in the court of appellate jurisdiction.

We abstain from offering any opinion upon the general convenience of all appellate jurisdiction in this country over the Company's courts, not considering the extended view of the subject as intended to be submitted to our consideration.

It seems that neither the utmost diligence on the part of the Privy Council, nor the wisest constitution of that tribunal could abate the evil, so long as the Council are confined within their ordinary judicial duties. It has been suggested to us, that the principal cause of failure in the appellate jurisdiction from the Company's courts, is the ignorance of the natives in India of the measures necessary to give effect to an appeal, and that their ignorance in this respect is the more excusable, because the Company's courts of appeal in India, as we have been informed, always entertain and proceed upon an appeal from the inferior jurisdiction as soon as the record is lodged in their custody, without waiting for any further steps to be taken by either respondent or appellant.

Perhaps as the evil has arisen from a want of due provision in our laws, it would be improper to strike out appeals which have been long on the list, without giving notice to the parties that their interests may be defended at the bar of the Privy Council by those in whom they repose the greatest confidence. As it seems probable that in so long a period

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a period many of the parties must have died, it would have become necessary in the case of all long-standing causes, to grant time to the parties in India to take care of interests which may be important to them.

Would not that be sufficiently provided for by directing that notices of all causes now in appeal should be sent to the several Sudder Dewanny Adawluts, with due warning, that unless they were prosecuted to the stage of judgment within two years, they should be deemed and taken to be dropped appeals, and struck out of the list accordingly?

The care of widely dispersing these notices, so as to reach every part of the country, could only be entrusted with perfect propriety to the several Sudder Dewanny courts out of which the records come. But it is impossible to doubt that appeals are in all countries frequently brought for the mere purpose of delaying the payment of just debts, and this grievance, as far as it exists, would be particularly vexatious in India, where the distance of place necessarily consumes so much time before the cause can be brought to a hearing at home. It should seem, therefore, that it would be essential to fix a time when all future appeals should, upon non-prosecution of six months after they are lodged in the Privy Council Office, without special cause assigned, be deemed to be dropped.

It would also be a measure of much remedial justice if the Privy Council were to be invested with a power of granting double or treble costs, in cases where the appeal may be manifestly intended for delay, and necessarily attended with great vexation to the opposite parties.

There are other matters of secondary importance which admit of easier remedy. At present, in Bengal, no appeal can be brought where the amount in dispute is not 5,000*l.* or upwards. There is no limitation at the other Presidencies. According to the views which we have taken of the undue advantage given to the rich by such distant and costly appeals, it seems to us that the judgment of all the Company's courts in India should be raised to the same appealable amount with those of Bengal. Most of these regulations might probably be carried into execution by Orders in Council; but with respect to the power of costs, and the amount of the appealable sum, they might probably be thought to require Parliamentary measures, which in that case would only be settled in conferences between the President and the members of the Cabinet.

If any Parliamentary measure be adopted, a power might well be given to the courts in India to receive and record any compromise of a suit between the parties, notwithstanding the pendency of an appeal, and to transmit a judicial certificate thereof to the appellant court.

It would be a very wholesome provision if the Privy Council were to direct the Company's courts in India to strip the records of needless verbosity, and to reduce them as far as possible to what lawyers in England would call issueable points. It is not intended to say that the huge masses of papers such as are now sent should not continue to be sent, in order that they might be examined, in case of necessity, with a searching eye by all those who took a special interest in a cause, and in order also that the fidelity of the abridgement might in all cases be easily ascertained. It must be owned, however, that as things now are, their immense magnitude, besides greatly enhancing the expense, much more tends to impede due examination of them than to promote it.

It is clear that appeals should not be made against judgments, orders, or decrees of an interlocutory nature, unless the applicant shall enter upon the record a suggestion that such judgment, &c. concludes the general justice of the case, and that he waives making any further appeal in the cause, if that judgment, &c. be confirmed against him.

(signed) *J. Mackintosh,*
E. H. East,
Alex^r Johnston.

COPY of a LETTER from Sir *Alexander Johnston* to the Right Honourable *Charles Grant.*

Sir, 19, Great Cumberland-place, 7th May 1832.

Sir Edward H. East, Sir James Mackintosh and I, had the honour on the 4th instant to send you, in answer to your letter of the 29th of March, our joint opinion upon some of the points which you had referred to us, relative to the appeals which are brought from the courts of Sudder Adawlut in India to the Privy Council in this country.

I have now the honour, in consequence of the conversation which I had with you this forenoon, to enclose you a statement of the different measures which Mr. Clark and I think necessary to enable the Privy Council to hear and decide the 50 cases of East India appeals which have been so long pending before the King in Council, but which, owing to the zeal and promptitude with which you have taken up the question, may now be expected to be brought to a conclusion without any more delay.

Allow me to add, in allusion to the very flattering terms in which you have done me the honour to ask my opinion upon the occasion, that receiving as I do the pension of a retired Indian judge, I shall always feel it to be a public duty which I owe to my country to co-operate in any way in which my services may be required in hearing and determining all the Indian cases which are now in arrear.

I should not presume to think that my services could be of any use in such a proceeding unless my attention had been particularly called to the subject from the year 1819 to the present period, in consequence of a reference which was then made to me by the late Lord Londonderry, and in consequence of my having been, during the whole 12 years I was Chief Justice

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Justice and President of His Majesty's Council on Ceylon, *ex officio* First Member of the High Court of Appeal on that island, which court has the same appellate jurisdiction over all the inferior courts on the island as the several courts of Sudder Adawlut at the different Presidencies on the continent of India have over all the inferior courts in their respective Presidencies, and which court proceeds according to the same rules, regulates its decisions according to the same codes of Mahomedan and Hindoo law, and administers justice amongst natives of the same religious persuasion as the Courts of Sudder Adawlut do within those Presidencies.

I have the honour to be, Sir,
Your most obedient and faithful servant,
*Alex*r *Johnston.*

Bengal, XVI. of 1797.
Madras, VIII. of 1818.
Bombay, IV. of 1827, ch 23.

IT appears that under the operation of certain Regulations of the Indian governments, a great number of appeals from decisions of the Courts of Sudder Adawlut (or courts of the highest jurisdiction, established by the East India Company, for the administration of justice to the natives of India residing in the provinces, and not amenable to the jurisdiction of the King's Supreme Courts of Judicature) have from time to time been transmitted to England, the earliest of which bears date in 1799; and that, with very few exceptions, they have not been prosecuted by the appellants in the usual mode in which appeals are prosecuted before the King in Council, neither have the respondents taken any steps to have them dismissed for non-prosecution; and it further appears, that in some cases the parties have compromised their suits subsequently to the arrival of their appeals in England, and have transmitted duly attested notice of such compromises in the same way in which the appeals were transmitted; and that as no orders have been issued by the Privy Council upon such references, the parties who have so compromised, and their sureties, are not released from their responsibility, nor are all their deposits and securities returned to them; because, as stated in the proceedings of the courts abroad, the appeals are considered as being lodged and depending before His Majesty in Council, without whose final orders such relief cannot be afforded to the suitors.

It appears that the right of appeal from the Sudder Dewanny Adawlut at Calcutta was limited by the 21 Geo. 3, c. 70, s. 21, to cases in which the sum in issue is not less than 5,000 *l.*; and that in pursuance of such limitation a Regulation was enacted by the Bengal government in the year 1797, prescribing the rules under which applications should be made by suitors for leave to appeal to the King in Council, and all other measures should be taken for the furtherance of the appeals, and of all documents necessary for the information of the King in Council; such Regulation, however, distinctly declaring the reservation to His Majesty of his right to exercise his full and unqualified pleasure in the rejection or admission of appeals, notwithstanding any rules in the said Regulation. But the Act above referred to not having prescribed any limit to the right of appeal from the decisions of the highest Company's courts at Madras and Bombay, a different course was adopted at those Presidencies. By Regulation V. of 1802, enacted by the Government of the former Presidency, provision was made for an appeal from the judgments of the Sudder Adawlut at Madras to the *Governor General* in Council at Calcutta; and it is understood, that for several years subsequently to the date of that Regulation appeals were preferred accordingly, and that the Governor General in Council, on the receipt of the records of appeal (which were prepared and transmitted to him in like manner, and under similar rules to those which now govern the transmission of appeals to His Majesty in Council from that Presidency) used to issue his final orders or decrees on such appeals, and forward the same to Madras, to be there carried into execution. The Governor General in Council, however, having subsequently "relinquished the authority exercised by him" with regard to such appeals, the previous Regulation was repealed, and a new Regulation was enacted, which is now in force, and under which the appeals from that Presidency, now in England and unproceeded in, have been transmitted. At Bombay a Regulation was passed in 1812, containing the like provisions as that passed in Bengal for the admission of appeals, in such cases only as amounted to 5,000 *l.*, although no limitation of the right of appeal from Bombay had been imposed by Act of Parliament. This Regulation, however, was was very soon rescinded by Regulation XI. of 1813, and no rules appear to have existed for the admission, at that Presidency, of appeals to the King in Council until the passing of Regulation V. of 1818, which is similar in its provisions to the Madras Regulation VIII. of the same year, providing for all Acts necessary to be done *in India* for the presentation and admission of an appeal, and for the transmission of an authentic record of all proceedings, evidence, &c. for the information of the Privy Council; and likewise for the delivery of security, as well for the fulfilment of the eventual decree of His Majesty in Council, as for the payment of all costs that might be incurred in the prosecution of such appeals. When the Regulations of the Bombay Government were re-enacted in an improved form in 1827, rules similar in effect to those of 1812 were enacted in Regulation IV. c. 23; and it was there declared, that "the decrees of the King in Council, when duly certified, should be enforced, under the directions of the Sudder Dewanny Adawlut, by the judge of the zillah in which the suit was originally tried in the same manner as those of his own court." In all the Regulations above noticed the directions to the suitors are necessarily confined to such acts as were under the control of the Indian courts, and could not extend to measures which should be adopted in England, nor fix any

Madras, Reg. V. of 1802, s. 33, *et seq.*
Reg. VIII. of 1818.

Madras, Reg. VIII. 1818.
Bombay Reg. IV. 1812

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any limit of time for finally disposing of the suits in the event of the parties not moving in them by the agency of representatives in England.

It appears that to each of the records of appeal which have been received in England from the Sudder Adawluts in India is prefixed a certificate under the seal of the court, and the signature of the registrar, declaring it to contain authentic and correct copies of the orders, judgments, evidence and other documents in the case, prepared for submission to the King in Council; and it further appears that the said records have all been forwarded by the local governments to the Court of Directors of the East India Company, by whom they have been lodged or deposited in the office of the Privy Council, and that those records are intended for the sole use of the Privy Council, and not for the use of the suitors or their agents; and it further appears, from correspondence between the Court of Directors of the East India Company and their governments abroad and from proceedings of the Courts of Sudder Dewanny Adawlut, accompanying the references in compromised suits, that the reception of those records in England is deemed by the authorities abroad to be virtually a lodging of the said appeal before His Majesty in Council, whose orders thereon are looked for; and that without such orders Courts abroad do not consider themselves authorized to dispose, finally, of any case that has been so appealed, and to restore deposits, and deliver up securities; adverting to what is understood to have been the practice in cases of appeal from the Sudder Adawlut at Madras to the Governor General in Council previously to 1818, such expectation seems grounded on the former practice in India in that respect.

Referring to the peculiar condition of the natives of India, for whom a system of administration of justice has been provided, under legislative sanction, by the East India Company, and to the incompetency of the courts or governments abroad to promulgate any rules regarding the course of proceeding in England, or to authorize the dismissal of suits for non-prosecution or otherwise, unless such rules shall have first received the sanction of the Privy Council; and it being necessary that such rules should be made and duly notified by regulations to be promulgated at the Presidencies in India, and that provision should be made for giving due effect in England to such rules, so that the present accumulation of arrears may be finally disposed of, with due regard to the interests and rights of the suitors, the following provisional measures are proposed:

All the appeals and proceedings received from the Courts of Sudder Adawlut, through the Court of Directors of the East India Company, shall be referred to a Committee of His Majesty's most honourable Privy Council, who shall meet as often as may be required, and who shall prepare such orders, judgments or decrees as the exigency of each case may require, to be submitted to His Majesty in Council for his confirmation and approval; notice of such reference shall be communicated to the Courts of Sudder Adawlut in India for the information of the suitors.

All appeals transmitted to England by the Courts of Sudder Dewanny Adawlut at the several Presidencies under the Regulations of the Indian governments, and received in this country before the 31st December 1831, and which shall not be proceeded in by the appellants before the 31st December 1833, shall be dismissed.

An officer to be called Registrar of Adawlut Appeals shall be attached to the Committee until the present accumulation of appeals shall have been disposed of, or until some permanent arrangement regarding appeals from the Courts of Sudder Dewanny Adawlut to His Majesty in Council shall be made,

The duties of that officer shall be as follows:—To have the care of the records and other documents transmitted from the Sudder Adawluts in India for the purpose of being laid before His Majesty in Council, and to keep a register of them according to their dates; to make such communications to the Sudder Adawlut Courts as the Committee of the Privy Council shall direct.

To prepare from each "record" a list of all the papers forming the collection so termed, exhibiting briefly the subject of each paper, number or document, for the better enabling the Committee to refer to the record; and also to prepare a glossary of all Indian terms used in each case.

To carry into effect the rules which may be passed for the direction of the parties, and the due order of proceeding in regard to the Adawlut appeal; to provide professional assistance for the parties when authorized so to do by a power from the suitors in India, and to keep a regular account of all monies expended on their behalf out of the deposits to be made by them in India, and to transmit copies of such accounts for audit to the proper officer of the East India House before transmission to India.

The appellants in India shall be required by a Regulation, to be promulgated at each Presidency, to notify, within a term to be specified, whether it is their intention to proceed with their suits; and if such be their intention, they shall be required to state to the court of the zillah within which they reside, within a certain time, the name and address of the person who will be authorized to be their agent in England for conducting the said suit. The appellants shall be at the same time informed that they may, if they desire it, appoint the registrar of Adawlut appeals to be such agent, so far as to appoint counsel in their behalf, and to pay all expenses attendant on the prosecution of the appeal, provided they severally deposit in the treasury of the Presidency to which they belong a sum not less than 1,000*l.*, to be drawn out as required for the payment of the appeal, on vouchers to be delivered to the auditor of accounts at the East India House. All suits in which the appellants shall not either appoint an agent of their own, or authorize the registrar of Adawlut appeals to act for them as above, in three months from the date of the notice served upon them

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them, shall, on certificate from the Sudder Adawlut of due service of such notice and of failure to obey the same, be dismissed.

Like notice shall be given to the respondents, with like option of empowering the registrar of Adawlut appeals to appoint counsel on their behalf; and on certificate from the Sudder Adawlut of due service of such notice, and of no agent having been appointed, the appeal shall be heard *ex parte*, on application to that effect by the representative of the appellant.

In all applications for leave to appeal which may be presented after the receipt of these orders by the Sudder Adawlut Courts in India, the appellants shall be required, besides the previous conditions which they are now called upon to fulfil, and deposits now required, to state the name and address of the person who is to act as agent for the appeal in England, or to authorize the registrar of Adawlut appeals to appoint counsel for them on their making the deposit for the expenses to be incurred; and no appeal shall be admitted by a Court of Sudder Adawlut unless such nomination of a representative be made by the appellant.

The substance of the foregoing rules shall be duly promulgated in the several Presidencies in India by Regulations drawn out in the prescribed form, and declaring in the preamble that the said rules have the sanction of His Majesty's most honourable Privy Council.

(G).

The Copy of a LETTER from the Abbé *Dubois* to Sir *Alexander Johnston*, giving him an an Account of the present condition of the Native Catholics throughout India.

King-street, Portman Square,
London, 21st May 1831.

Dear Honourable Sir,

IN the last interview I had the honour to have with you, you appeared anxious to have a short sketch of the Christian missions in Asia. I will endeavour to comply with your wishes, as far as my inquiries on the subject, during my long residence in India, enable me to do.

The whole of the Christian converts in Asia, during the three last centuries, by the Jesuits and their successors, do not amount, at the present time, to more than twelve or thirteen hundred thousand, if we except those made by the Spanish missionaries, on the Phillippine Islands, which, from all accounts, amounts to about two millions, among the natives of those Islands. Of the twelve or thirteen hundred thousand converts on the Continent of Asia, India contains one half that number, under the superintendence of four titular bishops, and three bishops *in partibus*, with the titles of Apostolical Vicars. The four titular bishops are, the Archbishop of Goa, (the metropolitan of India,) and the Bishops of Cranganore, Cochin, and Malayapore, (St. Thomé, near Madras). The three apostolical vicars, who reside, one at Bombay, another at Verapoly, on the Malabar coast, and the third at Pondicherry, are immediately appointed by the Pope, without the interference of any temporal power. The two former are Italian Carmelite Friars, the latter is a Frenchman, and has the superintendence over the French mission in the Carnatic and Mysore.

Each bishop and apostolic vicar has a district assigned to him by the Holy See. The Archbishop of Goa has under his spiritual jurisdiction the most numerous congregations. It is he who directs all the Catholics in the Island of Ceylon, whose aggregate number amounts to at least 120,000. He has also under his spiritual sway, the great number of congregations disseminated on the Malabar coast, from Tellicherry and Mangalore to Goa, inclusively, and containing at least 150,000 Catholic Christians. Next to Goa, the most numerous mission is that of the Apostolical Vicar at Verapoly, near Cochin, who reckons 130,000 converts, partly of the Syriac, partly of the Latin rite; the former are converts made by the ancient Jesuits, of the Syrians of the Nestorian sect, established from immemorial time in the Travancore, and having still many congregations of that persuasion who steadfastly adhere to the doctrines of Nestorious; whose principal error consisted in admitting two persons in Christ. They, however, admit the seven sacraments, as the Roman-catholics, purgatory, invocation of saints, &c. but altogether reject the worship of images*. Those who are become converts to Catholicism have preserved the ancient *Syriac*, or *Chaldeo-Syriac*; and their liturgy is in that language, which their priests learn merely to read in order to be able to perform their religious ceremony, without understanding it, having no professors to teach them, and in general their native priests are very ignorant. The Bishop of Cochin has about 45,000 Christian natives under his spiritual sway; his jurisdiction extends from Cochin and Tuttacorin, along the coast to Nejapatam. His congregations along that tract of country are numerous, and are chiefly composed of fishermen, known under the name of Paravas, who boast and pride themselves on being the offspring of the converts made three centuries ago by the celebrated Jesuit St. Francis Xavier. The Bishop of Cranganore exercises his spiritual power in a part of the Travancore

* By worship of images is meant nothing more than respect and veneration for the holy persons represented by them.

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core country, and in the province of Marava and Madura; he reckons 36,000 converts of several castes. Among his flock there are many thousands of those professional robbers called Colliers, who chiefly inhabit the Marava district. The Apostolical Vicar of Bombay, an Italian Carmelite friar, has the poorest mission in India; his flock does not amount to above 10,000 or 12,000 converts. The French mission entertained by the *Seminaire des Missions Etrangères*, in Paris, is composed of a French Apostolical Vicar, appointed by the Pope; his residence is at Pondicherry, and he is assisted by two French missionaries, scattered over the Carnatic and Mysore countries. The number of Christians under their charge amounts to at least 40,000. The Portuguese Bishop of St. Thomé's, near Madras, exercises his jurisdiction in the Tanjore country, where there are about 12,000 native converts; and all along the coast from Negapatam, to Calcutta, there are found several congregations, chiefly consisting of that class of people calling themselves the offspring of the ancient Portuguese. Such is, Sir, the short analysis of the state of the Catholics in India I can give you; and such are the remainders of those once flourishing congregations, founded by the Jesuits, amounting, 80 years ago, to 2,000,000. Since that period, and chiefly since the extinction of the order of the Jesuits, the affairs of Christianity on the Peninsula, owing to many causes, which it would be too long to enumerate, have been visibly on the decline, and, in my opinion, will continue to be so.

I will now say a few words about the Christian sects from the Catholic Church, which have also formed religious establishments on the Peninsula. The most ancient are the Nestorians, established in Travancore, styling themselves the Christians of St. Thomé's; a claim without foundation, it being well known that their patriarch and founder, *Nestorius*, Bishop of Constantinople, lived in the fifth century: most of them were, as already mentioned, converted to the Catholic faith by the ancient Jesuits, but a great many remained, and still remain, steadfastly attached to Nestorianism, and form several congregations, amounting in all to about 20,000.

There are also congregations of Protestants, of several sects; the most flourishing are those of the Calvinistic persuasion, established in the Island of Ceylon, amounting, it is said, to about 60,000, chiefly composed of Catholic converts, who turned Calvinists during the long persecution exercised by the Dutch against Catholicism; a persecution which lasted, in a great degree, until the time when, by your benevolent and persevering interference, you succeeded to obtain the full emancipation of the Catholics, and to remove all the civil incapacities which weighed on them on account of their religion; a favour, whose remembrance shall be handed down from generation to generation, among the Catholic population of the island, with senses of the liveliest gratitude. From the Peninsula of India let us pass over to the countries beyond the Ganges.

There is a mission of Italian Barnabite Friars, established more than a century ago in Pegu, having to attend to the five congregations at Rangoon, and some other parts of the country, an apostolical vicar, and three or four missionaries. That mission, owing to the civil wars which at all times raged in the country, and to other causes, was at no time prosperous, and at present reckoned only about 8,000 converts.

The *Seminaire des Missions Etrangères*, in Paris, has entertained, during these last 150 years, a mission in the kingdom of Siam, which at present consists of a bishop, apostolical vicar, and six French missionaries; the residence of the bishop is at Bancock, and the missionaries attend the congregations scattered over the country. The number of converts was once considerable; but, owing to the continual foreign and civil wars which have not ceased to exist in the country, their number is at present reduced to about 10,000 or 12,000. The most flourishing mission under the charge of the *Seminaire des Missions Etrangères* is that of Tonking, where we reckon at least 160,000 converts, attended by a bishop, and an apostolical vicar, 10 French missionaries, and 60 native priests, properly educated by two French missionaries, delegated for that purpose. The Spanish mission, in the same country, is no less flourishing than the French one; thus, the aggregate number of Tonkinese converts amounts to about 300,000 souls. Next comes the mission of Cochin-China and Cambodia, including at least from 70,000 to 80,000 converts, attended by a bishop, vicar apostolic, nine or ten French missionaries, and about 25 native priests, educated by the missionaries.

Finally, the *Seminaire des Missions Etrangères* entertains a mission in the interior of China. In the province of Futchneu, there are to be found about 50,000 Chinese converts, attended by a French bishop, six or seven missionaries, and 22 or 24 Chinese priests. The Portuguese, Spaniards and Italians, have also established missionaries in several provinces of the Empire, many of which go on well, and the aggregate amount of the Chinese converts does not fall short of 200,000. However, as the Christian religion is proscribed by the laws of the empire, and the ingress of foreigners into the interior forbidden under pain of death, the missionaries are introduced by trusty converts with the greatest caution, at the risk of their lives for the introducer and the introduced; and even after their safe arrival in their missions they are obliged to live hidden, and to use a continual vigilance not to be discovered. If they are discovered, and given up to the Mandarins, they are judged and sentenced to death, or to perpetual exile in Tartary, ordinarily to Eli. They are, however, sometimes redeemed by giving heavy bribes to the Mandarins.

The *Seminaire des Missions Etrangères* sends every year a certain number of young missionaries to Macao, where we have an agent, a French missionary, well acquainted with the localities; whose charge is to receive the missionaries we send, keep the correspondence between our Missions and the Seminaire of Paris, receive and shelter the couriers which are sent once a year by the apostolic vicar, to accompany and introduce the missionaries

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newly arrived from Europe, send to the several missions the small sums of money, and other articles destined for each one, &c. &c.

The *Seminaire des Missions Etrangères*, founded two centuries ago, is directed by four members, who have passed at least two years in one of our foreign missions. I am one of the four. I have been deputed by my associates to this country, to keep the correspondence of the missions, receive the letters which arrive at this season by the return of the East India Company's ships from Canton, return answers, and execute the commissions of the missionaries; the agitated state of France not allowing us a safe medium of correspondence at the present time.

Such is, honourable sir, the short analysis I can give you of our mission, a more extensive account would prove tedious. I regret much that my leisure does not allow me to make a more neat, and a little better worded copy: this, as you will perceive, has been made with much haste, for which I beg to be excused.

I have the honour to be, dear honourable Sir, your very obedient Servant,

The Abbé *J. A. Dubois.*

(H.)

THE Copy of a Plan for framing a Maritime Code for the use of all the different Natives of Asia who Navigate the Indian Seas, and who Trade with the several British Possessions in India.

AS the East India Company's charter will soon expire, and as the Legislature of Great Britain will then be called upon to decide whether a royal government shall be established over the British territories in India, it is advisable that His Majesty's Government should take into their serious consideration every subject which is connected with the maritime and commercial prosperity of that immense empire.

There is no subject which is of more importance, both in time of peace and in time of war, to the maritime and commercial prosperity of Great Britain and India, than that which relates to the situation, the regulations, and the proceedings of the several Vice-Admiralty jurisdictions which have from time to time been established, as well in the East India Company's settlements at Bombay, Madras, Calcutta and Penang, as in the King's settlements at the Cape, the Isle of France, Ceylon and New South Wales.

Of these eight Vice-Admiralty jurisdictions, the four first were, in consequence of their being situated in the East India Company's settlements, established by several Acts of the Parliament of Great Britain; and the four last were, in consequence of their being situated in King's settlements, established by several orders of the King in Council.

Although there is a difference between the four first and the four last jurisdictions, as to the authority by which they were originally established, there is no difference whatever between them either as to the appointment of their judges, the nature of their jurisdiction, the forms and rules of their proceedings, the laws and usages according to which they decide, or the court in England before which their decisions are liable to be revised.

All the judges of these jurisdictions are appointed by the Lord High Admiral of England, and they all hold a commission under the great seal of the High Court of Admiralty, by which they are directed to exercise within their local limits a similar jurisdiction to the one which is exercised by that court, to proceed according to the same rules and forms as that court, to decide according to the laws and usages observed by that court, and in every case to allow of an appeal against their decisions to that court.

It is obviously the intention of the King and Parliament of Great Britain that these jurisdictions should, in consequence of their being so intimately connected as they are, both in time of peace and in time of war, with the maritime interests and naval superiority of Great Britain, be under the immediate control of the High Court of Admiralty and the general superintendence of the Lord High Admiral of England; and that all of them, as well those which are situated in the Company's as those which are situated in the King's settlements, should be considered as parts of the same system which Great Britain, in consequence of the extent of her territories to the east of the Cape of Good Hope, and the acknowledged superiority of her navy in the Indian seas, has felt it her duty to establish at her own expense, for the purpose in all maritime questions of administering prompt and substantial justice towards all the maritime traders and navigators of those seas, Europeans as well as natives of Asia; towards the former, according to such maritime laws and usages as prevail respectively amongst all the different Europeans who frequent those seas; towards the latter, according to such maritime laws and usages as prevail respectively amongst all the different maritime people of Asia, consisting of Arabs, Persians, Maldivians, Malays, Hindoos and Chinese, who from time immemorial have had separate maritime laws and usages of their own, and who are most materially interested, as shipowners, maritime traders, and mariners in the navigation and trade of the Indian Ocean, and of all the adjacent seas which extend from the Cape of Good Hope west, to the Philippine Islands east, and from Van Diemen's Land south, to Calcutta north.

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It is now, however, ascertained by experience that these Vice Admiralty jurisdictions, from want of sufficient local information at the time they were first established, are framed too exclusively upon the model of the High Court of Admiralty in England, and therefore that they are not so well adapted as the other King's courts in India to the local situation of the different territories, and the local circumstances of the different people for whose benefit and protection they are established.

All the nations of Asia have a right to hope that Great Britain will, in consequence of the high character for justice and the naval superiority which she has acquired throughout the Indian seas, now do, with respect to all her maritime courts in Asia, what she has already done with respect to all her other courts in that part of the world,—modify them in such a manner as to render their proceedings applicable to the local circumstances of the different countries in which they are established, and to the peculiar character, manners and feelings of the different people whose persons, property, rights and interests it is her object to protect; that she will, by collecting, printing and publishing authentic collections of all the maritime laws and usages of the different people of Asia, enable as well the judges of her maritime courts as all other persons interested in the question, to become thoroughly acquainted with all those laws and usages; and finally, that she will not only make but enforce, both in time of peace and in time of war, as well by her maritime courts as by her naval power, such regulations for the navigation and trade of those seas as are consistent with the general principles of justice, and in harmony with the different maritime laws and usages which have from time immemorial been observed by the several maritime nations of Asia.

The extent and the accuracy of the local information which has been acquired since the original establishment of these jurisdictions, will now enable the Lord High Admiral of England, should his Royal Highness think it expedient to take the subject into his consideration, to remedy without difficulty the defects which experience may have shown to be inherent in their present constitution, and to frame, from the most authentic materials, such a comprehensive and popular system for administering justice in maritime cases throughout the Indian seas, and such a comprehensive and popular code of maritime laws and usages for the security and protection of all the maritime traders, shipowners and mariners of Asia, as will not only in the present but also in future ages associate inseparably, in the minds of all the people of Asia, the idea of the justice with that of the maritime power of Great Britain. It is with this view submitted to the Lord High Admiral, that it will be advisable for his Royal Highness to order the Vice-Admiralty jurisdictions of the Cape, the Isle of France, Ceylon, New South Wales, Bombay, Madras, Calcutta and Penang, to send to the Admiralty a report upon the three following points:

1st. Upon the origin, proceedings and present state of each of the Vice-Admiralty jurisdictions which have been respectively established at Bombay, Madras, Calcutta, Bengal, the Cape, Isle of France, Ceylon, and New South Wales, and upon the nature of the different powers, civil and criminal, which are exercised by their different judges, as well in time of peace as in time of war.

2d. Upon all such general maritime laws and usages of Europe, and such particular statutes of the Parliament of Great Britain as are at present applicable to the trade and navigation in the Indian seas, both in time of peace and in time of war.

3d. Upon the several codes of maritime laws and usages which are respectively in force amongst all the different nations of Asia, who are in any way engaged in the maritime trade, or in the navigation of the Indian seas.

With reference to the first point, it is submitted that the report should, besides affording a minute detail of the rules of proceeding, of the tables of fees, and of the numbers, duties and emoluments of the officers of each court, also contain a distinct and clear view of the extent and nature of the sea coasts, of the castes and character of the mariners, of the several branches of maritime trade and of the different sorts of shipping within the local limits of each court, a description of the cases which are the most commonly brought before it, of the number and peculiarities of the cases which have been decided by it ever since its first establishment, of the number of those which have been appealed, of the amount of the expense which the several parties have incurred in consequence of each appeal, and of the time which had elapsed between the original decision given by the Vice-Admiralty Court and the final one given by the Court of Appeal.

With reference to the second point it is submitted, that the report should specify in what manner each of the maritime laws and usages of Europe, and each of the statutes of the Parliament of Great Britain which is at present considered as in force with respect to such maritime traders and navigators in the Indian seas as are natives of Asia, may have an effect upon or be in opposition to their religious and moral habits, their feelings and their prejudices, and in what manner such maritime law and usage, or such statute, may be so modified as to attain the political or commercial object for which it was made, without militating against any of those feelings or prejudices.

With reference to the third point it is submitted, that the report should contain authentic and perfect collections in the original languages of the country, and in English, of the several maritime laws and usages which prevail amongst the different nations of Asia who are engaged in the trade and navigation of the Indian seas. Sir Alexander Johnston knows, from his own experience, that such collections may be easily made, and that all the information which is required may be obtained through the different Vice-Admiralty establishments

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blishments at the Cape, Isle of France, New South Wales, Calcutta, Madras, Bombay and Prince of Wales's Island. In the course of the 16 years during which he held, under the Great Seal of England, and under that of the High Court of Admiralty, the offices of President of his Majesty's Council, Chief Justice of the Supreme Court, and Judge of the Vice-Admiralty Court in Ceylon, he felt it to be his duty repeatedly to assemble on that island some of the best informed of the natives of those parts of Asia, the inhabitants of which were the most engaged in the maritime trade and navigation of the Indian seas, and to inquire from them, not only the nature and history of all the different maritime laws and usages which were observed amongst the maritime traders and navigators of their respective countries, but also what moral, political and commercial effects each of those laws and usages had produced in their several countries, both with respect to the different persons who were subject to them and the different branches of trade to which their provisions refer.

By these means Sir A. Johnston ascertained that the different maritime laws and usages which prevail amongst the different nations of Asia, are partly of Hindoo, partly of Malay, partly of Maldivian, partly of Persian, partly of Arabian, partly of Cingalese, and partly of Chinese origin; that a few of them are derived from the laws of Rhodes, Oleron, Itisbury, and Consolato-del-Mare; some of which were introduced by the Arabs, from the Mediterranean, into the Indian seas, during the 15th and 16th centuries; and finally, that they all are at present, in consequence of no authentic and perfect copies of them ever having been printed and circulated throughout Asia, so little understood, even by those who are the most interested in their observance, as to render it both easy and common for the native arbitrators, to whom commercial and maritime questions are often referred, to misconstrue and pervert their meaning.

(I.)

A PAPER containing extracts from pages 15 and 16, of the Eleventh Report of the Directors of the African Institution, and from page 93 to page 100 of the Appendix to that Report, and giving a detailed Account of the different circumstances connected with the Resolution pased on the 15th July 1816, by all (in number 763) the Proprietors of Domestic Slaves on the Island of Ceylon, declaring free all Children who might be born of their Slaves after the 12th August 1816.

IT is with feelings of the most lively satisfaction, that the Directors of the African Institution have now to state, that the benevolent exertions of Sir Alexander Johnston, the Chief Justice of the island of Ceylon, for a period of ten years, to induce the proprietors of slaves in that island to fix a day after which all the children born of their slaves should be considered as free, have at length been crowned with success. Early in the month of July last, that liberal and enlightened judge addressed himself upon this subject to the principal proprietors of slaves at Colombo who were upon the list of special jurymen for that province. The proposal contained in the Chief Justice's letter was well received by these gentlemen; and at a general meeting which they called, to take it into consideration, they unanimously resolved, that all children born of their slaves after the 12th of August last should be free. That day was fixed upon by them, at the suggestion of Sir Alexander Johnston, in honour of the Prince Regent. They afterwards appointed a committee from among themselves to frame certain resolutions for the purpose of carrying their benevolent intention into effect; the principal object of which was to secure a provision for the children born free after the 12th of August 1816, from the masters of their parents, until the age of fourteen, it being supposed that after they shall have attained that age they will be able to provide for themselves.

Sir Alexander Johnston states, that the special jurymen of Colombo consist of about 130 of the most respectable Dutch gentlemen of the place, in which number are contained almost all the Dutch who are large proprietors of slaves. Besides these gentlemen, there are jurymen of all the different castes among the natives. The moment the jurymen of these castes heard of the resolution adopted by the Dutch special jurymen, they were so much struck by the example, that they also addressed the Chief Justice, announcing their unanimous acquiescence in the measure which had been resolved upon by the Dutch special jurymen. And Sir Alexander Johnston adds, that the example of the jurymen at Colombo, was, he understood, to be immediately followed by all the jurymen on the island. "The state of domestic slavery," he says, "which was practised in this island for three centuries may now be considered at an end." And he observes, that the measure which has thus been brought about, is in a great degree owing to the principles diffused by the circulation of the Reports of the African Institution.

The Directors are persuaded that they express the cordial feeling of the institution at large in offering the tribute of their grateful acknowledgement to Sir Alexander Johnston for his successful exertions in promoting, and to the special and other jurymen of the island for their general adoption of this important change in the condition of their country, and for the bright example which they have taken the lead in exhibiting to the world, of fixing a period for the extinction of the state of domestic slavery, an example which the Directors trust will speedily be followed wherever it may be done with safety. But whether this

this hope shall be realized or not, it will never be forgotten that the inhabitants of Colombo were the first of the British colonists to act upon this grand, noble, liberal and disinterested principle; and they will for ever deserve the best thanks of every individual who has at heart the advancement of the happiness of mankind, and the improvement of human nature.

Extract of a LETTER from the Honourable *Sir Alexander Johnston*, dated Colombo, 22d July 1816.

I HAVE, for the last ten years of my residence in Ceylon, been endeavouring, as I believe I have often mentioned to you, to get the principal proprietors of slaves on the island to fix a day after which all children born of their slaves shall be considered as free. My endeavours have at last, as you will see by the enclosed papers, been attended with success. I wrote on the 10th of this month a letter (of which No. 1 is a copy) upon the subject to the principal proprietors of slaves in this place, who are upon the list of the special jurymen for the province of Colombo, and who are therefore all personally known to me. By the letter, (of which No. 2 is a copy,) you will see that the proposal contained in my letter was well received by them; and that they, at a general meeting which they called to take the contents of that letter into consideration, unanimously came to the resolution, that all children born of their slaves after the 12th of August next should be free; (the 12th of August was fixed upon by them, at my suggestion, as a compliment to the Prince Regent). They afterwards appointed a committee from among themselves to frame certain resolutions (No. 3), for the purpose of carrying their benevolent intention into effect. The principal object of these resolutions is, as you will perceive, to secure that the children born free after the 12th of August next shall be provided for by the masters of their parents until the age of fourteen, it being supposed that after they have attained that age they will be able to provide for themselves.

The Dutch special jurymen of this place consist of about 130 of the most respectable Dutch gentlemen of the place; in which number are contained almost all the Dutch who are large proprietors of slaves. Besides these gentlemen, there are jurymen of all the different castes among the natives, such as vellales, fishermen, men of the mahabadde or cinnamon department, Chittees, and Mahomedans. The moment the jurymen of these castes heard of the resolution which had been come to by the Dutch special jurymen, they were so much struck with the example which they had set them, that they also immediately addressed me in the same manner as the Dutch had done; announcing their unanimous acquiescence in the measure which had been adopted by the Dutch, and their unanimous determination to consider as free all children that may be born of their slaves after the 12th of August.

No. 4. is a copy of the answer which I sent to the address which was presented to me on the occasion by the Dutch special jurymen; and No. 5. a copy of that which I returned to the respective addresses which were sent me by all the jurymen of the different castes of natives at Colombo.

The example of the jurymen at Colombo, is, I understand, to be immediately followed by all the jurymen on the island *. You will, I am sure, be delighted to hear of this event. The state of domestic slavery, which has prevailed in this island for three centuries, may now be considered at an end.

No. 1.—Copy of a LETTER from the Hon. Sir *Alexander Johnston* to the Dutch Gentlemen whose Names are on the List of Special Jurymen for the Province of Colombo.

Gentlemen, Colombo, July 10, 1816.

THE able assistance which I so frequently receive from you in the execution of my office, renders it my duty to communicate to you, without delay, any information which may be interesting to your feelings. I therefore have the honour to send for your perusal, the Eighth and Ninth Reports of the African Institution, which I have lately received from England.

The liberality which you have always displayed in your sentiments as jurymen, make me certain that you will be highly gratified with the success which has attended the proceedings of that benevolent institution.

Many of you are aware of the measure which I proposed in 1806 to the principal proprietors of slaves on this island, and of the reason for which its adoption was at that time postponed.

Allow me to avail myself of the present opportunity to suggest to you, that, should those proprietors, in consequence of the change which has since taken place in the circumstances of this island, now think such a measure advisable, they will, by carrying it into effect, set a bright example to their countrymen, and show themselves worthy to be ranked amongst the benefactors of the human race.

I have the honour to be, gentlemen,
Your most obedient humble servant,
(signed) *Alexander Johnston.*

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* It was shortly after followed by all the proprietors of domestic slaves (in number 763) on the Island; all the proprietors of slaves on Ceylon were on the list of jurymen.

Sir *Alex. Johnston.*

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No. 2.—Copy of the Answer to the above.

To the Honourable Sir *Alexander Johnston*, Knight, Chief Justice of the Supreme Court of Judicature in the Island of Ceylon, &c. &c. &c.

May it please your Lordship,

We, the undersigned, respectfully beg leave to acknowledge the receipt of your Lordship's very kind and condescending letter of the 10th instant, accompanied with the Eighth and Ninth Reports of the African Institution, the perusal of which we did not delay, in consequence of the honourable distinction which your Lordship has shown in addressing us on so important a subject, with the laudable and humane view of directing our attention to the measure which your Lordship has heretofore proposed in the year 1806.

We sincerely beg leave to assure your Lordship, that the proposal conveyed by your Lordship's letter is gratifying to our feelings; and it is our earnest desire, if possible, to disencumber ourselves of that unnatural character of being proprietors of human beings; but we feel regret in adding, that the circumstance of every individual of us does not allow a sudden and total abolition of slavery, without subjecting both the proprietors and the slaves themselves to material and serious injuries.

We take the liberty to add, that the slaves of the Dutch inhabitants are generally emancipated at the death of their owners, as will appear to your Lordship on reference to their wills deposited in the records of the Supreme Court; and we are confident that those who are still in a state of slavery have likewise the same chance of obtaining their freedom.

We have, therefore, in following the magnanimous example of those alluded to in the aforementioned reports of the African Institution, come to a resolution, as our voluntary act, to declare, that all children who may be born slaves from and after the 12th of August 1816, inclusive, shall be considered free, and under such provisions and conditions as contained in a resolution which we shall agree upon, and which we shall have the honour of submitting to your Lordship, for the extinction of a traffic avowedly repugnant to every moral and religious virtue.

We have the honour to subscribe ourselves,

May it please your Lordship,

Your Lordship's most obedient and very faithful humble servants,

Colombo, July 14, 1816. (signed) By 64 persons.

No. 3.—Copy of the Resolutions referred to in the preceding Letter.

At a meeting of the Members of the Special Dutch Jurors, assembled by general consent, for framing certain Resolutions, to be carried into effect for the eventual Emancipation of Children born of Slaves, held at Colombo, on Monday the 15th July 1816;

Present—Counr. Sebastian Wickerman, Esq., Johan Frederic Lorenz, Esq., John Gerard Kriekenbeek, Esq., Frans Philip Fretz, Esq., Leonard Van Dort, Esq., Christ. Cornelis Uhlenbeek, Esq., Wilh. Abraham Kriekenbeek, Esq., Dieterich Cornelis Fretz, Esq., Richard Morgan, Esq., Cornelis Arnoldus Prins, Esq., Johannes Justinus Stork, Esq., Jacobus Cornelis Vandendriessen, Esq., Johannes Bartholomeusz, Esq.

Resolved unanimously,

1st. That all children born of slaves from and after the 12th of August next ensuing shall be considered free.

2d. That if a female slave be sold who has a child or children born free, they shall go with her into the hands of the new master, if they have not completed their second year.

3d. That of all children who have past their second year, it shall be at the option of the master to return them, notwithstanding the sale of the mother.

4th. That all children who are born free shall remain in their master's house, and serve them without any wages, save and except their food and raiment, which shall be at the expenses of the masters; a male till the age of fourteen, and a female till the age of twelve.

5th. That when free-born children have completed the fourteenth and twelfth year of their age, as aforesaid, they shall from that day since be emancipated from their masters.

6th. That if a master manumits his female slave, who has a free-born child or children above two years of age, it shall be at the option of the masters to retain them, namely, the female till the age of twelve, and the male till the age of fourteen, or allow such child or children to follow the mother; in which latter case the mother shall be obliged to support the child or children.

7th. That in case any master, through manifest poverty, or from the incorrigible depravity of the free-born children, or for any other causes, finds himself unable to retain them any longer

longer under his care, application shall be made by such masters to any charitable funds, or the magistrates, that they may be otherwise disposed of.

8th. That in order to prevent any fraud to the prejudice of the free-born children, all heads of the families in whose houses any child of that description is born shall have the birth of such child registered by the constables of his division at least within three days thereafter.

9th. That every constable shall, for the same purpose, open a register, in which shall be specified the sex, and names of the parents and masters; and a list thereof shall monthly be transmitted to the office of the sitting magistrate, to be entered in a general register of the free-born children.

10th. That in the register to be kept by the constable, an entry shall likewise be made by him of the death of every free-born child, upon the information to be given by the heads of the family within the same space of time aforesaid; and a monthly list thereof shall be transmitted to the sitting magistrate's office, to be entered accordingly in the general register.

11th. That of both the general registers of births and deaths quarterly returns shall be made to the Chief Secretary's office.

Lastly, Resolved unanimously,
That the foregoing resolutions be forwarded to the Honourable the Chief Justice, to be submitted to his Excellency the Governor, in order that the same may be made a rule, under such alterations, amendments and modifications as his Excellency may deem expedient for the furtherance of the beneficial object in view.

(signed) By all present.

No. 4.—Copy of the Answer of the Hon. *Sir Alexander Johnston* to the Address presented to him by the Dutch Special Jurymen.

Gentlemen, Colombo, 21st July 1816.

I HAVE had the honour to receive the resolutions which you have sent me by Mr. Kriekenbeek and by Mr. Prins, and shall with pleasure present them, as you desire me, to his Excellency the Governor.

I beg leave to offer you my warmest congratulations on this interesting occasion. The measure which you have unanimously adopted does the highest honour to your feelings. It must inevitably produce a great and a most favourable change in the moral habits and sentiments of many different classes of society in this island; and generations yet unborn will hereafter reflect with gratitude upon the names of those persons, to whose humanity they will owe the numerous blessings which attend a state of freedom.

I return you my sincere thanks for the honour you have done me, by making me the channel through which your benevolent intention is to be communicated to his Excellency the Governor. As an Englishman, I am bound to feel proud in having my name associated with any measure which secures the sacred right of liberty to a number of my fellow-creatures.

I have the honour to be, Gentlemen,
Your most obedient and humble servant,
(signed) *Alexander Johnston.*

No. 5.—Copy of the Answer of the Hon. *Sir Alexander Johnston* to the Address presented to him by the Jurymen of the different Castes of Natives at Colombo.

Gentlemen, Colombo, 22d July 1816.

I HAVE had the honour to receive the resolutions which you have respectively passed, declaring your unanimous acquiescence in the measure which has lately been adopted by the Dutch special jurymen

I take the liberty to enclose you, as the best way of conveying to you the sentiments which I entertain upon the subject, a copy of a letter which I have written to those gentlemen.

Allow me to add, that I am fully aware of the anxiety which the jurymen of all castes have shown to emulate the example set them by the Dutch special jurymen; and that it will be gratifying to the friends of humanity to know, that whatever difference of religion, or whatever difference of caste, may prevail among the persons who are enrolled on the list of jurymen of this place, no difference of opinion has for a moment prevailed among them as to the propriety and justice of the measure in question.

I have the honour to be, Gentlemen,
Your most obedient and humble servant,
(signed) *Alexander Johnston.*

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(K.)

A PAPER containing an Account of the different circumstances connected with the Repeal, in 1810, of all the Restrictions which were previously in force on the Island of *Ceylon* against Europeans acquiring and holding Lands in Perpetuity on that Island.

AS the steps that were taken by Sir Alexander Johnston many years ago to repeal the laws which then prevailed in the island of Ceylon against the admission of Europeans to colonize on that island form a precedent for adopting a similar measure in the British territories on the continent of India, and must of course be frequently referred to by the members of both Houses of Parliament when the discussion of this important measure is brought before Parliament, we shall, for the information of those members in particular, and for the British public in general, endeavour to give a detailed account of the restrictions against European colonization which were originally introduced into the island of Ceylon on the capture of the Dutch possessions in that island by the British arms, and of the different measures which led to the complete repeal of those restrictions, and to the complete change of policy by His Majesty's Ministers upon that subject.

When the English took possession of the Dutch settlements in the island of Ceylon, they were, in the first instance, placed under the government of the East India Company, and the same restrictions against European colonization as prevailed in the rest of the Company's dominions were in force in them; when afterwards, in 1801, the Dutch possessions on that island were transferred from the government of the East India Company to that of the Crown, His Majesty's Ministers, adopting the same policy as the East India Company had previously done with respect to European colonization in Ceylon, sent out instructions, of which the following are copies, upon the subject, to the late Lord Guildford, the then Governor of that island:

"With a view to preclude all approaches towards European colonization, you will observe, that no grants of land in perpetuity, or estates of inheritance, are to be made by Government to British subjects or European settlers, and if any such have already been conceded by Government since the island has been in the King's possessions, as such grant could only have been made subject to ratification by His Majesty, the consideration (if any) which may have been paid should be refunded, and the grant revoked.

"You will also let it be understood that the purchase of lands in perpetuity, for the obtainment of a longer term in lands in Ceylon than the period of seven years, whether in their own name or by the intervention of a native trustee, be utterly forbidden to all British subjects in the civil or military service, and to all licensed residents in Ceylon. In the event of any act being done in violation of this restriction, the attempt should be deemed a revocation of the licence possessed by the offenders.

"That Government may be apprized of the fact, you will direct that all conveyances and contracts relative to land entered into by any licensed resident, unless as tenant at will, or from year to year, be registered in the Secretary's office within three months after the contract has been entered into, on pain that the whole transaction be rendered null and void.

"As purchases of land may already have taken place between British subjects and the Dutch or natives, which, if sanctioned by Government, would form an exception to the present system, you will call on such British purchasers to dispose of such landed property, the acquisition of which was, at the least, extremely injudicious during the present war; as the value will probably have risen, and they will receive the increased amount, they will have no right to complain. Should, however, any such British purchaser refuse to acquiesce you will consider that refusal as a revocation of his licence, and direct him to depart from the island."

In 1806, Sir Alexander Johnston, having become Chief Justice and first member of his Majesty's Council in Ceylon, made, at the request of the then Governor, a complete circuit of the island, not only for the purpose of the administration of justice through every part of the British territories, but also for that of examining into, upon the spot, the state of the people, and the best means of ameliorating their condition, by improving the agriculture, the manufactures, and commerce of the country. Amongst other objects, he particularly directed his attention, while on the circuit, to the extent and nature of the vast tracts of waste lands belonging to the Government in the northern and eastern divisions of the island, which, although they had in ancient times been highly cultivated and well peopled, were then completely uncultivated and depopulated.

Sir Alexander being, in consequence of the report he made as to these lands, requested by Sir Thomas Maitland, the then Governor, to give his opinion as to the best mode of restoring them to their former state of cultivation, strongly advised that all the restrictions which were then in force against the colonization of Europeans in the island should be immediately repealed, and that, on the contrary, the greatest encouragement should be held out by Government to every European capitalist who would take grants of those lands from Government, and who would introduce European capital, European industry, and European arts and sciences, amongst the natives of the country.

Sir Thomas Maitland, agreeing with Sir Alexander Johnston in this opinion, recommended the adoption of the measure proposed by Sir Alexander to His Majesty's Ministers; and on Sir Alexander's proceeding to England, in 1809, for the purpose of submitting

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to His Majesty's Ministers, at the request of the Governor in Council in Ceylon, various measures for the improvement of the government and the situation of the island, instructed him particularly to impress on the minds of His Majesty's Ministers the policy of encouraging European colonization in Ceylon. Sir Alexander, on his arrival in England, having done so, the late Lord Londonderry, the then Secretary of State for the Colonies, sent out instructions to the Governor of Ceylon, annulling the restrictions which had previously prevailed in that island against European colonization, and authorizing him to adopt a different policy for the future, upon which the two proclamations were issued by His Majesty's Government in Ceylon, of which the following are copies:

(Government Advertisement.)

"Whereas certain restrictions have hitherto been laid on by His Majesty's commands, prohibiting Europeans from holding grounds in this island, and restricting the possession of lands to natives only, save and except in the town and fort of Colombo, and the gravetts thereunto belonging; public notice is hereby given, by command of His Excellency, that His Majesty has been graciously pleased to direct that all such restrictions be done away, and they are hereby done away accordingly, save and except in the district of Trincomalee, where the aforementioned restrictions are, for the present, still to apply.

"By his Excellency's command,

(signed) "*John Rodney,*
"Chief Secretary to Government."

"Colombo, 4th December 1810."

EXTRACT from the Ceylon Government Gazette of July 22, 1812.

(Government Advertisement.)

"*Grants of Land for Cultivation.*—The advertisement published by the Right Hon. Lieutenant-General Maitland, dated 4th December, 1810, notifying that all restrictions existing against Europeans acquiring permanent property of land in this island were from thenceforth discontinued, except in the district of Trincomalee, is now republished, viz.: 'Whereas certain restrictions have hitherto been laid on by His Majesty's commands, prohibiting Europeans from holding grounds in this island, and restricting the possession of lands to natives only, save and except in the town and fort of Colombo, and the gravetts thereunto belonging, public notice is hereby given, by command of his Excellency, that His Majesty has been graciously pleased to direct that all such restrictions be done away, and they are hereby done away accordingly, save and except in the district of Trincomalee, where the aforementioned restrictions are for the present still to apply.' And the exception contained in the said advertisement with regard to the district of Trincomalee is hereby limited to the whole of the peninsula of Trincomalee, and three miles westward of the tank situated in the centre of the commencement of the isthmus. And for the further information and encouragement of persons desirous of obtaining grants of land from Government, for the purposes of cultivation, in any part of this island, with the temporary exception last mentioned.

"His Excellency is pleased hereby to publish the rules and conditions by which the grants will be regulated, in pursuance of instructions received from His Majesty's Ministers on this subject. Grants in perpetuity will be given to His Majesty's European subjects, and also to such Europeans, or their descendants, as were settled in Ceylon before the conquest of it by His Majesty, and who, by their good conduct since may have entitled themselves to that indulgence. The quantity of land so granted will not exceed 4,000 acres to any one individual. Such lands will be held free of all duty to Government for a period not exceeding ten, or less than five years. At the expiration of that period the lands will be subject to a fixed rent, liable to be altered at stated periods, but in no instance to exceed one-tenth of the actual annual produce. All such grants will be subject to a condition of cultivation and improvement according to the situation and capability of the land, the particulars of which stipulation, and of all other conditions, in which a latitude is left, will be fixed in the grants, upon a fair and equitable consideration of the circumstances of each case. Applications to be made by letter, addressed to the Chief Secretary of Government.

"By his Excellency's command,

(signed) "*John Rodney,*
"Chief Secretary to Government."

"Chief Secretary's Office,
Colombo, July 21, 1812."

The late Lord Londonderry, who entertained the same opinions as Sir Alexander Johnston as to the policy of encouraging European capitalists to settle in Ceylon, had determined, had he remained in office, to adopt, in pursuance of the system of policy acted upon in these proclamations, the other supplementary measures advised at the same time by Sir A. Johnston, as necessary to secure complete success to the objects which his Lordship had in view.

The supplementary measures advised by Sir A. Johnston were, 1st, to repeal such parts of the Governor's instructions as authorized him, under particular circumstances, to remove a European

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a European from the island without trial, and positively to direct that no European, American, or native of the continent of India, or the island of Ceylon, should be removed from the island, without his first having been found guilty, by the verdict of a jury, of some offence to which the punishment of banishment from the island is attached by law. 2dly. To prohibit the Governor of Ceylon from any longer exercising the power, which he has hitherto exercised, of ordering any native of the island to labour for Government by force, and to direct that all labour performed for Government by natives shall be paid for in the same manner as if they performed that labour for any private individual; the above power being often productive of the greatest hardships, and the greatest injustice to the natives, and being capable of being made use of as a means of depriving such Europeans or others as may settle on the island of a part or the whole of their native labourers, at a moment when the services of those labourers may be most essential to the success of their agricultural, manufacturing, and commercial speculations. 3dly. To declare the ports of Trincomalee, Point de Galle, Colombo, and Jaffna, free ports. 4thly. To repeal such parts of the Governor's instructions as authorize him to make legislative acts for the government of the island by his mere will and pleasure, and without the check or control of any other person in the island, and thereby enabling him, if he thinks proper, virtually, though not avowedly, to defeat even the provisions of His Majesty's charter of justice for Ceylon, which is issued under the Great Seal of England. 5th. To frame, by Act of Parliament, a free constitution for all the inhabitants of the island of Ceylon, founded upon the principles of the British constitution, but adapted to the religion, the customs, and manners of the natives, as well as to the peculiar circumstances of the country. 6th. To frame a short and a clear code of laws, divested of all technical language, for the use of the inhabitants of Ceylon. 7th. To advise some of the leading merchants in the principal towns which have an interest in the agricultural improvement of, and trade with, the island of Ceylon, to form chambers of commerce, or committees, for the purpose of watching over and protecting, in England, the interest of such British European subjects as may embark their capital in speculations upon that island.

The reasons urged by Sir Alex. Johnston for establishing such committees, are contained in the printed account, of which the following is a copy:

"A few months ago, copies of official documents were published, from which it appeared that the settlement of Europeans in Ceylon had been allowed, at the instance of Sir A. Johnston, the then Chief Justice of the colony. It may be useful to state, that at the time Sir A. Johnston proposed to His Majesty's Ministers to take off the restrictions against Europeans holding land in Ceylon, which restrictions were taken off by the proclamations of 1810 and 1812, he was perfectly aware that this measure would not be attended with the full benefits which might be derived from its adoption, unless those persons who are connected with the trading and manufacturing interests of England were made fully acquainted with the real state of the island of Ceylon, and unless they were induced to exercise a salutary superintendence over the interests of the several capitalists who might determine, in consequence of this measure, to settle upon that island, but who were very unlikely to succeed in their speculations, unless they could obtain in this country, before they embarked in those speculations, such information as might be necessary to enable them to judge of the prudence or advisability of embarking in them; and unless they could also, after they once had embarked in them, be certain, in case of their meeting with opposition on the island, of receiving, in all cases in which they were really wronged, the support of the trading and manufacturing interest of England, both in their endeavours to obtain redress, and to secure for themselves the adoption of such a policy, and such a system of laws for the regulation of the agriculture, manufactures, and trade of the island, as might enable them to avail themselves, to the fullest extent, of the local capabilities of the island, and of the advantageous and free use of their capitals.

"In order to secure for them the certainty of being able to procure such information as they might require before they determined upon such speculations, and the equal certainty of obtaining redress in England, if wronged in the colony, after they once had embarked in such speculations, Sir Alexander proposed that a committee should be formed in England of some of the most respectable and best informed of the persons who were connected at Liverpool, Glasgow, Manchester, and other places, with such portions of the trading and manufacturing interests of England as were the most interested in the trade and improvements of all branches of trade and manufactures in India, and that that committee should adopt such measures as are necessary to enable it to obtain the most accurate information that could be procured of every thing relative to the island of Ceylon. Such a committee will be a great benefit—

"1st. To the persons who embark their capitals in speculations on the island of Ceylon. 2d. To the native inhabitants of that island. 3d. To the people of Great Britain. 4th. To the Government of Great Britain.

"1st. To the persons who embark their capitals in speculations on the island of Ceylon.

"It will enable all such persons to obtain, without expense, information upon which they can rely, as to all the following particulars:—As to what capital they ought to embark in any speculation; what profit they may fairly expect; what dangers or opposition they are likely to encounter; and what assistance they ought beforehand to secure from Government; as to the nature of the climate, the soil, the mineral and vegetable productions of the country; as to the extent, the description, and the character of the population; as to

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the price of labour, the state of machinery, and the different sorts of implements in use in agriculture and manufactures; as to the possibility of improving such implements, or of substituting in their room the machinery used for similar purposes in Europe; as to the facility, where labourers are not to be had in Ceylon, of getting them either from the peninsula of India or from China; as to the practicability of substituting for human labour, where human labour cannot be procured, either the labour of oxen or that of elephants; as to the nature of the religious and other prejudices of the people, and the effect which those prejudices are calculated to have upon their habits of thinking with respect to different descriptions of labour, manufactures and trade. It will also enable all such persons, in case of any dispute, either with the local government of the island, or with persons of influence on the island, to bring their complaints before His Majesty's Ministers, through the committee, with much more effect than they could otherwise do, in consequence of His Majesty's Ministers being fully aware that those complaints had been first of all examined by merchants of respectability in this country, who were thoroughly acquainted with the subject; who viewed the circumstances in which the colonists were placed in Ceylon with with the good sense, enlightened ideas, and liberal feelings of British merchants; and who, provided they approved of the conduct and proceedings of the colonists in Ceylon, would give their strenuous support to those colonists, and would excite in their favour the sympathy and support of the whole trading and manufacturing interests of England.

"2d. This committee will be a benefit to the native inhabitants of the island of Ceylon, by encouraging capitalists from England to employ their capital with safety and with profit in agriculture, manufactures and trade in that island, and thereby making the island what it is admirably fitted for by its local situation, the great entrepôt of trade between Europe, America, Africa, Arabia, and the western coast of the peninsula of India on the one side, and China, the Eastern Archipelago, all the countries on the eastern side of the Bay of Bengal, Bengal itself, and the coast of Coromandel, on the other side.

"3d. This committee will be a benefit to the people of Great Britain, by rendering the people of Ceylon active, rich and prosperous; by increasing the variety and quantity of their exchangeable produce, their demand for the manufactures and other produce of Great Britain, and thereby enabling them not only to defray the expenses of their own local government in particular, but also to contribute in some degree to the discharge of the expenses of the Government of Great Britain at large.

"4th. This committee will be a benefit to His Majesty's Ministers, by enabling them to ascertain, from a body of merchants in this country, as well as from a body of merchants in Ceylon, who are better acquainted, both from their knowledge of the general principles of commerce and of the local circumstances of the island, than any other persons can be, with what the real wants of the island may be; what improvements in the agriculture, manufacture and trade of the island can be made by Government; what encouragement it is absolutely necessary and advisable that Government should give, in order to carry into effect these improvements; what laws now in existence are prejudicial to the agriculture, manufacture and trade of the island; what laws ought to be abolished; what, if any, substituted in their room. It will also enable His Majesty's Ministers not only to adopt, with benefit to the country, such measures as they may, under the advice of the committee think proper to adopt; but it will, through the influence it must possess in all the great manufacturing and trading towns of England, render all such measures popular by explaining to the trading and manufacturing interest of England the advantages they are likely to derive from the adoption of those measures; it will also enable Government, in cases of complaints being made to them by the colonists and other speculators in Ceylon against the local government or persons of influence on that island, to know what decisions they ought to come to upon the subject, consistently with their own rights and the interests and feelings of the people of the island of Ceylon."

In consequence of the late Lord Londonderry having given up the office of Secretary of State for the Colonies, in the latter end of 1809 or beginning of 1810, although the instructions to the Governor of Ceylon against allowing Europeans to settle upon that island were repealed, and the proclamations, of which we have given copies, were published by the Government of Ceylon, none of the other measures, mentioned by us as having been recommended by Sir Alex. Johnston, were subsequently carried into effect; and few, or no European British subjects have availed themselves of the terms held out by the Ceylon government in the proclamations of 1810 and 1812, it being obvious that no British subject could prudently venture to embark a large capital in that island, without enjoying the security which the measures proposed by Sir Alex. Johnston were calculated to give him.

Sir *Alex. Johnston.*
9 July 1832.

(L.)

PAPER, containing Copies of a Letter from Mr. Ricketts, the Agent for the East Indians to Sir Alexander Johnston, on the 6th May 1830, and Sir Alexander's Answer, explaining to him the line of policy which he would advise the British Government to adopt with respect to all the East Indians in British India.

Copy of a Letter from Mr. *Ricketts* to Sir *Alexander Johnston.*

" 13, Brooksby-street, Liverpool Road,
" Dear Sir, 6th May 1830.

" YOU lately did me the honour to express a wish to peruse the East Indian's petition to Parliament, with which I have been deputed to England by my countrymen in India; and it of course gave me great pleasure to put a copy into your hands. Your are now, doubtless, made acquainted with the civil and political disabilities complained of in the petition.

" Aware, as I am, of your philanthropic efforts in behalf of the native burghers at Ceylon, the descendants of European fathers, during your residence as Chief Justice and President in Council on the Island, I shall esteem it a particular favour if you will kindly seize a moment of leisure to let me know the practical bearings and results of the measures pursued by you, and whether they turned out to be prejudicial in any way to the interests of the local government.

" I beg you will excuse my troubling you on the subject; and the best apology I can offer, and which I am sure you will as readily accept, is the vast importance of the public cause in which I am engaged.

" I have the honour to be,
" Dear Sir, your very obedient Servant
" *John W. Ricketts.*"

" Dear Sir, " 19, Great Cumberland Place.

" I HAVE the honour to acknowledge the receipt of your letter of the 6th of May 1830. In answer, I beg leave to assure you that I shall with pleasure explain to you the opinions which I entertain upon the subject to which you refer; and the different measures which, in consequence of those opinions, I adopted while I was Chief Justice and President of His Majesty's Council in Ceylon.

" I have always been of opinion that, in policy, His Majesty's Government ought to show the most marked respect to all persons on Ceylon, who are either descended from Europeans, or who bear any resemblance in features, manners, dress, religion, language and education to Europeans, and thereby constantly associate in the minds of the natives of the country an idea of respect and superiority with that of a European, and with that of everything which is characteristic of or connected with a European.

" That in justice it ought to do every thing in its power to place the native burghers on that island in a situation which may enable them to acquire the respect and esteem of their countrymen, and which may make it their interest and their wish as well as their duty to support the authority and promote the views of the British nation. That it ought to encourage them to improve their moral character and to cultivate their understanding, by affording them the same prospect as Europeans enjoy of attaining, if they desire them, situations of the highest honour and of the greatest emolument in all the different departments of the state.

" And that it ought to consider the exclusion by law, for no fault of their own, but merely on account of their completion of so valuable a class of His Majesty's subjects, as unjust and impolitic, as systematically degrading them in the eyes of their countrymen, and as subjecting them on every occasion, in private and in public, amongt Europeans and amongst natives, however respectable, however well educated, and however deserving they may be, to the most unmerited contumely and the most painful mortifications.

" I have also always been of opinion, that His Majesty's Government ought, not only with a view to the religious, moral and political instruction of the people, but even with a view to the increase of its own strength and authority on Ceylon, to adopt measures which may gradually introduce amongst the inhabitants of that island such portions of the arts and sciences, and of the moral and political institutions of Europe, as may be applicable to the situation of the country, and may ultimately assimilate the character and feelings of the people of India to the character and feelings of the people of Great Britain.

" That it ought to consider the native burghers on the island of Ceylon as valuable auxiliaries in carrying into effect all such measures, and in bringing about all such changes as are calculated to improve the moral and political character of the natives of that island.

" And finally, that it must, so far from diminishing its popularity and endangering its authority, increase the former and affirm the latter by exalting the character and conciliating the affections of all the native burghers who are settled in different parts of the island, who, from the circumstances of their birth, are thoroughly acquainted with the language, habits, manners, usages and prejudices of the natives; and who, from the circumstances

Sir *Alex. Johnston.*

9 July 1832.

stances of their descent, their features, their names, their religion, their laws, their education, and their language, must, if wisely protected, feel themselves bound by every tie of affection and interest to adhere at all times to the British Government, and to consider their importance, if not their existence in society, as depending upon the continuance and strength of the British authority in India.

" Entertaining these opinions, I felt it to be my duty, as soon as I became Chief Justice and President of His Majesty's Council on Ceylon, to advise His Majesty's Government to place every descendant of a European on that island, whatever his complexion might be, precisely upon the same footing as a European; to look upon him as having the same rights and privileges, as subject to the same criminal and civil law, and as eligible to the same appointments in every department of government. Upon my recommendation native burghers were appointed to the offices of registrar, deputy registrar, keeper of the records, advocates, proctors, notaries of the Supreme Court, members of the landrards, secretaries of the provincial courts, sitting magistrates, justices of the peace, and superintendents of the police, to the office of proctor for paupers, a situation of great responsibility, created by Government at my suggestion, for the specific purpose of protecting the rights of paupers and slaves, to that of deputy advocate, fiscal, and, under certain circumstances, even to that of acting advocate fiscal, an officer next in rank in the Supreme Court to the chief and puisne justice, and discharging duties in that court of great trust and importance to the safety of the Government and the tranquillity of the country.

" In consequence of the adoption by government of this line of policy, the native burghers on the island of Ceylon acquired a high value for character, and a powerful motive for improving their understanding, for cultivating every branch of knowledge, for making themselves acquainted with the arts, the sciences, the manufactures, and the agriculture of Europe; they enjoyed a further opportunity of displaying their talents and extending their influence amongst their countrymen, and they felt a pride in exerting that influence in favour of the British Government, and in promoting amongst the natives of the island all such measures as were calculated to improve the state of the country, and to ameliorate the condition of the people.

" My experience on the island of Ceylon led me, many years ago, to believe that the only way of effectually and permanently improving the condition of that island is for Parliament, after having instituted in England a full and public inquiry upon the subject, to relieve its agriculture, its manufactures, its trade and its population, from all unnecessary and impolitic restrictions; to open its ports to vessels of all nations; to encourage Europeans to settle on the island, and apply their capital, their skill and their industry to the cultivation of the country; and solemnly to guarantee, by an Act of Parliament, to the inhabitants of every description a free and a liberal system of government, founded on the principles of the British constitution, but adapted to the peculiar circumstances of the island, and to the peculiar manners, feelings and prejudices of the people. I therefore felt it to be my duty, in order to prepare the people for such a change, and to satisfy the Legislature of Great Britain that the natives of India, if properly treated, are capable of appreciating the value of freedom, and exercising all the rights and privileges of free men, to introduce such measures amongst the natives of Ceylon as were calculated to enlighten their understanding, to raise the standard of their moral feeling, to give them a value for character, and a respect for the rights of their fellow-creatures, to vest them with a power of making and administering the laws by which they were to be governed; to encourage amongst them a calm and enlightened discussion of all questions, moral as well as political, in which either their spiritual or their temporal welfare might be concerned; to remove all religious jealousies, by removing all political disabilities arising out of a difference of religious persuasions; to make them acquainted with the history of their country, with the nature of the changes, religious and political, which it had undergone, with the causes of those changes, and the effects which they had produced upon the happiness of the people and the prosperity of the country, and with the great advantages which they were capable of deriving from the introduction amongst them of European settlers and of European capital, arts, sciences, skill and manufactures; and to create amongst them, by means of a liberal and well-directed press, a public whose opinion might operate as a protection to all those who acted as the benefactors, and as a check upon all those who act as the oppressors of their country, and might thereby become a powerful engine for establishing amongst them a free, a mild and an economical government.

" In all these measures the native burghers took a most active part, and displayed the most enlightened and the most disinterested feelings in the uniform and efficient support which they afforded me, and acquired by the conduct which they observed in unanimously passing, of their own accord, a resolution emancipating all children born of their slaves after the 12th of August 1816, the highest credit, not only from his Majesty's Government, but also from the members of the African Institution, whose opinion is publicly recorded in the 11th Report of their proceedings in the following words: 'That the grateful acknowledgments of the society are due to them for their general adoption of this important change in the condition of their country, and for the bright example which they have taken the lead in exhibiting to the world of fixing a period for the extinction of the state of domestic slavery, an example which the directors trust will be speedily followed whenever it may be done with safety; but whether this hope shall be realized or not, it will never be forgotten that the inhabitants of Colombo were the first of the British colonists to act upon this grand, noble, liberal and disinterested principle, and that they will ever deserve the best thanks of every individual who has at heart the advancement of the happiness of mankind and the improvement of human nature.'

 " From

Sir *Alex. Johnston.*

9 July 1832.

"From the various communications upon literary, moral and political subjects which I frequently received while on Ceylon from East Indians descended from European fathers, in every part of India, from the frequent opportunities which I enjoyed during the two journies, the first in 1809, the last in 1817, which I made by land from Cape Comorin to Madras and back again, of becoming myself personally acquainted with many gentlemen of that class in the peninsula of India, and from the very high opinion which I received of the talents and acquirements of the whole class from the late Colonel Mackenzie, who while Surveyor-General of India employed a great many young men of that class, as well to survey the country as to collect for him the most valuable materials relative to the history of the people, I feel no doubt whatever that, were the Legislature of Great Britain to adopt, with respect to the East Indians throughout the continent of India, the same line of policy which his Majesty's Ministers had at my suggestion adopted with respect to the native burghers throughout the Island of Ceylon, the British government at large would derive the same advantages which the Ceylon government in particular have derived from the talents, the zeal and the loyalty of one of the most respectable and of the most useful portions of His Majesty's subjects in Asia. I was so convinced of this, and of the justice of extending to all East Indians descended from European fathers on the continent of India the advantages of the system of policy observed by his Majesty's Government towards the native burghers of Ceylon, that I submitted, when I was in England in 1810, to the Lord Londonderry a plan upon the subject which secured his approbation, and which, had I remained on Ceylon, I should have advised His Majesty's Ministers to carry into effect under the sanction of a special Act of Parliament.

"The object of this plan was to afford the whole class of East Indians descended from European fathers in Asia a favourable opportunity of raising their moral and political character in the estimation of the people of Europe and Asia, by inducing the most distinguished of that class, from every part of the continent of India, to co-operate with the most distinguished of the native burghers from every part of the island of Ceylon, in establishing an extensive settlement of their own in the northern provinces of that island.

"According to this plan a free constitution, and every right and privilege possessed in England by the most favoured European-born British subject, were to be guaranteed to all members of this settlement by the Legislature of Great Britain.

"The government lands in those provinces which, though at present uncultivated and depopulated, were in former ages most highly cultivated and most densely peopled, were to be granted by His Majesty's Government, in perpetuity, and upon the most liberal terms, to such of them as might be willing to cultivate them. The greatest encouragement was to be afforded them in agriculture, manufactures and commerce. The only two navigable channels through the long ridge of sand-banks extending from the north-west part of the island of Ceylon, to the south-east part of the peninsula of India, and known by the name of 'Adam's Bridge,' were to be deepened so as to admit the passage through them of vessels of a large burden. The immense tank or reservoir of water, called the 'Giant's Tank,' and many other large tanks, were to be repaired at the public expense. An order of merit was to be instituted, in which each member of the settlement might receive a rank and a title according to the quantity of land which he had brought into cultivation, or according to the degree of improvement which he had made in any branch of useful science or useful manufacture. Elementary schools were to be established in the country for the education of their children; a college, with professors in every department of science and literature, was to be founded in the town of Jaffna, for their use and instruction.

"A certain number of the boys who had distinguished themselves the most at the schools were to be annually placed in the college; and a certain number of those who had distinguished themselves the most at the college were to be annually sent to England, and after a short course of education in that country, adapted to the professions for which they were intended, to receive from the British Government in India appointments according to their respective talents or dispositions, either in the army, the navy, the law, the church, or the civil service.

"I am confident that in such a settlement, situated within twenty miles of the continent of India, near enough to that continent to admit of their constant intercourse with their friends and relations, but far enough from it to be completely removed from the influence of local prejudices, all the East Indians descended from European fathers would enjoy the most favourable opportunity, under the protection of a free and liberal constitution, and under the immediate care and superintendence of the British Parliament, of developing their moral character, of displaying their capacity to enjoy all the free institutions and privileges of Englishmen, and to discharge, with credit to themselves and benefit to their country, all the duties of the highest departments of Government; of acquiring themselves, and of communicating to the natives of the country, all the arts, the sciences, and the literature of Europe; and of gradually but effectually dispelling from the minds of the people of Europe and Asia the unmerited prejudices which, owing to circumstances not under their control, have hitherto prevailed against a numerous class of His Majesty's subjects, who of all others in Asia are, on account of their European descent, the most naturally and the most especially entitled to the protection and sympathy of the British Parliament and the British nation.

"I have the honour to be, dear Sir, your faithful servant,

"*Alex. Johnston.*"

APPENDIX.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE

ON THE

AFFAIRS

OF

THE EAST INDIA COMPANY;

AND ALSO AN

APPENDIX AND INDEX.

VI.

Political or Foreign

Ordered, by The House of Commons. *to be Printed.*
16 *August* 1832.

735—VI.

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MINUTES OF EVIDENCE.

Lunæ, 13° die Februarii, 1832.

THE RIGHT HON. SIR JAMES MACINTOSH,

IN THE CHAIR.

William M'Culloch, Esq., called in; and Examined.

VI.
POLITICAL
or
FOREIGN.

W. M'Culloch, Esq.
13 February 1832.

1. WHAT opinion have you formed upon the general nature and character of our subsidiary treaties in India, and of their effect upon the good government of the respective territories to which they relate?—The subsidiary system gives the British Government a more complete command over the military resources of the countries to which it extends, and better security against treacherous combination on the part of the native powers, and popular insurrection on the part of their subjects, than probably could be obtained by any other means; it must, however, be confessed that these advantages are purchased at a considerable (some may be of opinion) too high a price. I cannot so well describe the evils incident to the system, as by the following quotation from a letter, addressed by the late Sir Thomas Munro to the Marquis of Hastings, dated 12th August 1817: "There are many weighty objections to the employment of a subsidiary force. It has a natural tendency to render the government of every country in which it exists weak and oppressive, to extinguish all honourable feeling among the higher classes of society, and to degrade and impoverish the whole people. The usual remedy of a bad government in India is a quiet revolution in the palace, or a violent one by rebellion or foreign conquest; but the presence of a British force cuts off every chance of remedy, by supporting the prince on the throne against every foreign and domestic enemy. It renders him indolent, by teaching him to trust to strangers for his security, and cruel and avaricious, by showing him that he has nothing to fear from the hatred of his subjects. Whenever the subsidiary system is introduced, unless the reigning prince be a man of great abilities, the country will soon bear the marks of it in decaying villages and decreasing population. This has long been observed in the dominions of the Peishwa and the Nizam, and is now beginning to be seen in Mysore. A subsidiary force would be a most useful establishment if it could be directed solely to the support of our ascendancy, without nourishing all the vices of a bad government: but this seems almost impossible. The only way in which this object has ever in any degree been attained, is by the appointment of a Dewan. This measure is no doubt liable to numerous objections, but still it is the only one by which any amends can be made to the people of the country for the miseries brought upon them by the subsidiary force, in giving stability to a vicious government. The great difficulty is to prevent the prince from counteracting the Dewan, and the resident from meddling too much; but when this is avoided, the Dewan may be made a most useful instrument of government. There is, however, another view under which the subsidiary system may be considered, I mean that of its inevitable tendency to bring every native state into which it is introduced, sooner or later, under the exclusive dominion of the British Government. It has already done this completely in the case of the Nabob of the Carnatic, it has made some progress in that of the Peishwa, and the Nizam; and the whole of the territory of these princes will unquestionably suffer the same fate as the Carnatic." Sir Thomas Munro proceeded in that most able and interesting letter to show, with prophetic sagacity, how this result was likely to be brought about, and to state the grounds on which it appeared to him "very questionable whether such a change, either as it regards the natives or ourselves, ought to be desired." To the observations of that

W. M'Culloch, Esq. 13 February 1832.

that excellent man I only beg leave to add, that the multiplicity of perplexing details arising out of the extension of our political relations, has trenched most seriously upon the time and attention both of the governments in India and of the authorities at home, and have thus tended in no slight degree to divert to foreign interests a large portion of those cares, which might perhaps have been more profitably bestowed on improving the administration of our own territories.

2. Have you any observations of a general nature to add to the answer you have given?—I have only to add, that the policy of introducing a system of that sort, and of retracing our steps after it has been widely established, are very different questions. It may be liable, as I think it is, to all the objections already stated; but if the question be put, what is to be done now, I confess I am unable to give an answer.

3. Do you think it has produced more harm than good?—I think in the countries where it has been introduced the evil preponderates. In Mysore, while Poorneah was at the head of the government, it went on exceedingly well, during the minority of the rajah; but since the death of Poorneah, and the rajah has chosen to take an active part in his own administration, and, in fact, has been acting almost without any minister at all, things have gone on badly. The whole of his treasure, amounting to about 70 lacs of pagodas, that Poorneah left in the treasury, has been squandered; and I believe there has been lately an insurrection in the Mysore territories. But serious as the evils of the system are, it appears to me a matter of almost insuperable difficulty to retrace our steps, because this can only be done with the consent of the other parties to the treaties; and though some of them might not hesitate to give their consent, yet the mischiefs that would ensue would probably be very great, and might throw the whole country into confusion.

4. Would it not in fact be opening the treaties of all those states?—Yes. If there was a question respecting any of them, it would be respecting those with the Rajpoot states. I think it would be easier to dissolve the subsidiary connexion with those states, and that there would be less danger in doing so than there would be in abrogating the treaties with the small states in Central India, for in the latter case, I am satisfied those states would fall into great confusion and anarchy, and a new predatory power might again rise up in the heart of India. On the other hand, the Rajpoot states, though they might not improbably quarrel among themselves if they were emancipated from British control, have never been considered as belonging to the predatory association; and I have in my memorandum, in reply to one of the questions put to me, expressed a doubt whether it was necessary to exact the permanent sacrifice of their independence, in order to secure the future tranquillity of Central India.

5. Can you state shortly the changes which have recently taken place in our relations with the state of Nagpore?—Under the treaty of 1826 it was stipulated, that the lands then reserved for the maintenance of the rajah's military force should continue under British management until the rajah should give satisfactory evidence of his ability and disposition properly to administer those territories. By a provisional agreement, concluded in 1829, those territories were delivered over to the rajah's own management, on his agreeing to pay eight lacs of rupees per annum to the British Government; and he was at the same time relieved from the obligation of maintaining any force for our use beyond 1,000 horse. The British officers who had been appointed to the command of the rajah's force under the treaty of 1826, were likewise withdrawn. The subsidy which his Highness had agreed to pay, and the expense of the contingent which he had agreed to maintain under the treaty of 1816, were, by the provisional engagement of 1818, commuted for territory, and hence we got possession of the districts upon the Nerbudda, yielding a revenue of upwards of 20 lacs.

6. Are you prepared to offer any suggestions by which the disadvantages attending the present system can be obviated?—No general suggestions. In particular cases means may be found for preventing mischief in sometimes increasing and occasionally in relaxing our interference; and upon a judicious choice of the persons selected to fill the office of British Resident at Native Courts much will always depend. But I cannot offer any suggestions calculated to counteract the general tendencies of the system.

7. What opinion have you formed upon the subject of Sir Thomas Munro's suggestion, of managing the country through a Dewan?—We have two instances in point, the one favourable and the other unfavourable. In the case of Mysore, under Poorneah, whom I have before mentioned, things went on very well. In the Nizam's country

W. M'Culloch, Esq.
13 February 1832.

country this expedient has not succeeded so well. In 1808, when Meerallam died, there was a good deal of correspondence between the Bengal government and the Nizam, upon the subject of the choice of his successor, and it terminated in a compromise, by which the Nizam was allowed the choice of his nominal prime minister, and we of the effective minister. The result was, that Mooneer ul Moolk was appointed minister by the Nizam, in which capacity, however, he never acted, the whole public business of the country having been transacted by Chundoo Loll, the deputy of our selection, and things have certainly not gone on prosperously. The great objection to such an arrangement is, that under it you never can know who is really the author of the measures adopted. If anything very objectionable occurs, the minister may plead that it was done at the recommendation or by the desire of the British resident, to whom it was his duty to defer: the latter, on the other hand, may say that it was solely the act of the minister, and that he had nothing to do with it. There is thus a sort of divided and undefined responsibility, which amounts to no responsibility at all. To the arrangement in question may be in great measure ascribed the enormous debt contracted by the government of Hyderabad, to the house of Palmer & Company; the decline of the revenue and the re-accumulation of the public debt, after it had been almost wholly paid off; and, I may add, that the aristocracy of the country have been completely sacrificed to the personal interests of the acting minister.

8. Do you consider, from what you know upon the subject, that the Nizam's country is a particularly ill-governed country?—I do not know precisely what has been the result of the measure adopted by Sir Charles Metcalfe, about the year 1820, when he appointed European officers to assist in forming the revenue settlements, a measure which, though disapproved by the authorities at home, continued in operation until the accession of the present Nizam; but the last report that I read respecting the Nizam's revenues, and the state of the debt, certainly was not favourable.

Jovis, 16° die Februarii, 1832.

THE RIGHT HON. SIR JAMES MACINTOSH, IN THE CHAIR.

James Mill, Esq., called in; and Examined.

James Mill, Esq.
16 February 1832.

9. HAVE you prepared for the Committee an outline of the territories and tributaries acquired by us in India since 1813?—I have.

[*The Witness delivered in the same.*]

10. How many of the chiefs and princes do you consider in the light of mere pensioners, the payment of whose pensions are stipulated by treaties?—In this statement are included tributaries, and states in alliance, without payment on the one side or the other. You may consider all those as distinct from mere state pensioners.

11. Do you consider the first nine articles in the Statement I now show you, of our political relations, as being the case of pensioners who may be excluded from our present consideration?—Yes.

12. Have the goodness to enumerate the chief subsidiary princes and the protected states?—I have in my hand a list which, I believe, contains the answer, and which, with permission of the Committee, I shall read.

Native States, with which Subsidiary Alliances exist.

Oude.	Holkar's State.	Cochin.
Nagpore.	Mysore.	Baroda.
Hydrabad.	Travancore.	Cutch.

James Mill, Esq.

16 February 1832.

Native States under the Protection of the British Government, but without Subsidiary Treaties.

Siccim.
The Sikh and Hill States, on the left bank of the Sutledj.

Rajpoot States - - - - - -	Bickaneer. Jesselmere. Jyepore. Joudpore. Oudeypore. Kotah Boondee. Serowey. Kishengurh. Dowleah and Pertaubgurh. Doorapoore, Banswarra.
Jaut, and other States on the right bank of the Jumna.	Bhurtpore. Ulwar, or Macherry. Kerowlee.
Boondela States - - - - - - -	Sumpthur. Jhansi. Jaloun. Oorcha, or Tehree. Dutteah. Rewah.
States in Malwa - - - - - -	Bhopaul. Dhar. Dewas. Rutlaum. Silana. Nursinghur. Amjherra. &c. &c. &c.
States in Guzerat - - - - - -	Pahlunpore. Rahdunpore. Rajpeepla. Loonawara. Soonth. The States in the Myhee Caunta. The Kattywar States.
States on the Malabar Coast (chiefly Mahratta).	Sattarah. Sawunt Warree. Colapore. Colabba.
Burmese Frontier - - - - - -	Cachar. Jyntia.

States not under British Protection.

Scindia.
The Rajah of Dholapore, Barree and Rajakera (formerly Rana of Gohud).
Runjeet Sing of Lahore.
The Ameers of Scind.
The Rajah of Nepaul.

13. Where are the seats of the people called Seiks?—The principal part of the territory they occupy is the Punjaub, or country within the five branches of the Indus. Those under British protection are some small communities on the left bank of the Sutledj.

14. They are a sort of predatory tribe, are they not?—They consisted of various tribes, of unsettled and predatory habits, until they were combined (as those beyond the Sutlej are now), under a chief of great power, who has consolidated them into a sort of kingdom, very likely, however, to go to pieces when he dies. Properly speaking,

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speaking, his territory may be considered as the only one in India that is not substantially British dominion. The subsidiary and protected states are, in truth, part of our empire.

15. The smaller states on the left bank of the Sutledj, which we have taken under our protection, are not subject to Runjeet Sing?—Those smaller states on the left bank of the Sutledj solicited our protection, to prevent their being swallowed up by Runjeet Sing. We willingly granted them our protection to prevent that chief's coming more close upon our frontier. He has agreed to respect our alliance, to confine himself to the north bank of the Sutledj, and not to meddle with those states.

16. Nepaul is the whole length of the northern frontier?—Not the whole, though the greater part. It is bounded by Siccim on the east, and by Kemaon, ceded to us, and some protected Seik states, in the west.

17. How would you class Scindia?—He is nominally independent, but, in truth, as dependent as any of the allied states; for he is perfectly surrounded by our territories, direct or allied, and can have no intercourse with any state but our's.

18. But he is an independent prince, with whom we have treated, is he not?—He neither at present has subsidiary alliance with us, nor do we include him among the protected states; in that respect he stands alone; while every state by which he is surrounded is bound not to negociate, except through us; by consequence, Scindia can negociate with none but us.

19. Malwa belonged to Scindia, and Holkar is in the same condition?—We have a subsidiary alliance with Holkar, whose territory is now reduced to an inconsiderable extent. The simple mode of considering our position in India, is to consider the extent actually pervaded by our power, really and truly under our dominion; that is, whether the subsidiary and protected princes are not entirely nominal. The case is this, with respect to all of them: we take the military powers of government entirely into our own hands, allowing them to keep only a small number of troops, to be employed in preserving internal order. Now if it is considered what the military power implies; that it is, in truth, the whole power, it will be seen that what we do with those protected princes is merely to delegate to them the powers of internal administration, which, in such a case in their hands, are in truth the powers of oppressing their subjects. This unfortunate intermediate state between British government and native, is filled up with nothing but abomination.

20. Does this description apply to Nepaul and Ava?—Nepaul and Ava are to be classed with foreign states really out of India, with which we have only occasional intercourse; and with such our relations are merely of a commercial nature. We have agreements of this kind with several of the ruling people in the Persian Gulf, and of the maritime states to the eastward, between India and China. In fact we have hardly any political relations that deserve attention out of India. We maintain indeed a resident at the court of Persia, but with more of reference to European than Indian politics.

21. You have a resident independent of any envoy immediately from this country?—The envoy we maintain at Persia is accredited from the Bengal government. Instructions, which do not originate with the Bengal government, are commonly transmitted to the Bengal government, and forwarded to the envoy, who is put in communication with the King's minister at Constantinople and at St. Petersburgh.

22. He does not communicate with the supreme government at Calcutta?—Yes, directly.

23. And directly here?—When he thinks the emergency requires it; and then he corresponds with the secret committee.

24. Do despatches always go by the way of India?—That is the general rule; but there are exceptions when expedition is considered of importance.

25. Have the French and Dutch foreign possessions in India, or anything but factories?—Nothing deserving the name of territory. Some small places were restored to the French at the general pacification. Pondicherry is something of a mercantile station, and they have Mahé, on the Malabar coast, and some other places. The Dutch have nothing on the Indian continent.

26. Have not the Swedes some?—The Swedes never had any. Serampore belongs to the Danes, near Calcutta, and has been distinguished as a missionary station, most meritoriously employed in promoting the education and instruction of the

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the natives; they have also Balasore, and they have Tranquebar, in the Madras territory.

27. Is there a French factory at Chandernagore still?—There is.

28. Singapoor is nothing but a factory of our's, is it?—It is an island conveniently situated for an emporium, a depôt of merchandize in transit; and is of importance in no other light.

29. Is it fortified?—I believe not, nor should I think it required.

30. Is it valuable as a naval station?—It is valuable as a port for merchantmen, and I believe for that only.

31. To supply the loss of Batavia or the Dutch settlements?—Batavia was not considered an important possession for us; this was reckoned a more convenient station, as in the route of all ships to the eastward.

32. Has it turned out as good and as useful as was expected?—It has answered the purposes expected from it. The quantity of traffic has not been so great as entered into certain sanguine expectations; but all the traffic the state of the countries yields has found accommodation there, I believe sufficient.

33. You think we should not be much better off if we had Batavia?—It would probably have cost us more than it is worth.

34. Batavia would have been a Government possession, and Singapoor belongs to the Company?—Singapoor belongs to the Company.

35. Is the defence, in your opinion, of our dominions more easy from having the whole of India, not a part merely?—Greatly so. It is not easy to find a great empire with so small a frontier to defend as India, when you possess the whole; as in three parts it is bounded by the sea, and in the other by mountains, which can only be passed at a few places, or through a desert scarcely passable at all. The best of these passes, by Attock through the mountains of Cambool, we might defend (such I believe is the opinion of the best judges) against all the world.

36. What is your opinion as to the effect of the subsidiary system, upon the well being of the inhabitants of the countries to which it relates?—With respect to its effect on the people of the country, my opinion is very unfavourable. The substance of the engagement we make with these princes is this: we take their military protection upon ourselves, and the military power of the state into our own hands. Having taken from them the military powers of government, that is, all the power, we then say to them, We give up to you the whole of the powers of civil government, and will not interfere with you in the exercise of them. It is well known what the consequences are. In the collection of the revenue, one main branch of the civil administration, they extort to the utmost limits of their power, not only impoverishing, but desolating the country. In regard to the other great branch of civil government, the administration of justice, there is hardly any such thing. There is no regular establishment for the administration of justice in any native state of India. Whoever is vested with a portion of power, great or small, hears causes when he pleases, and when he does not please, refuses to hear. The examination of the case is commonly very summary and hasty, and liable to be erroneous, when the examiner is not (what he is generally) appealed to by something more prevailing than a sense of justice, and then the case is decided according to the motive by which he is actuated. It has been found by experience (and the same was predicted), that misgovernment under this divided rule does go to its utmost extent, far beyond its ordinary limits, even in India. And the causes cannot but be considered equal to the effect. In the ordinary state of things in India, (though under such governments as that of India there was little of anything like a regular check,) the princes stood in awe of their subjects. Insurrection against oppression was the general practice of the country. The princes knew that when mismanagement and oppression went to a certain extent, there would be revolt, and that they would stand a chance of being tumbled from their throne, and a successful leader of the insurgents put in their place. This check is, by our interference, totally taken away; for the people know that any attempt of their's would be utterly unavailing against our irresistible power, accordingly no such thought occurs to them, and they submit to every degree of oppression that befals them. I may refer to the instances of Oude, of the Nizam's country, and that of the Peishwah while he was in the state of a subsidiary prince. Misgovernment went to its ultimate excess, and there have hardly been such specimens of misgovernment as exhibited in those countries. Complaint has been frequently made of the effect of these subsidiary alliances, in subduing the spirit and relaxing the springs of the government

government of those native princes. It appears to me that the subsidiary alliance does not take away the spirit of sovereignty by degrees from those princes; this is taken from them, along with the sovereignty, at the first step. It does not remain to be done by degrees. We begin by taking the military power, and when we have taken that, we have taken all. The princes exercise all the power that is left them to exercise, as mere trustees of our's, and unfortunately they are very bad trustees.

37. Then upon the whole, you consider that under the subsidiary system the people are worse off than before we interfered at all?—Yes; and I believe that is the natural tendency of such a state of things.

38. What would be a better state of things?—There are two other modes; one, that of letting them alone altogether, not meddling with them.

39. That would be reducing it to what it was before?—Yes; and there is the other mode: when we have taken really the dominion of the country, to take the government of it wholly into our hands; and instead of leaving it to be governed abominably by the old rulers, to govern it ourselves as well as we can.

40. What is your opinion of government through the means of the dewan?—Governing by the dewan is, in reality (if I correctly take the meaning of the question), assuming powers of civil government, but under infinite disadvantages. We place a resident, who really is king of the country, whatever injunctions of non-interference he may act under. As long as the prince acts in perfect subservience, and does what is agreeable to the residents, that is, to the British Government, things go on quietly; they are managed without the resident appearing much in the administration of affairs; in the detail of the government his presence does not become conspicuous, for it goes on quietly, in a manner that is agreeable to him; but when anything of a different nature happens, the moment the prince takes a course which the British Government thing wrong, then comes clashing and disturbance. The mode of preventing such collision which has been generally resorted to, has been the creating a dewan; that is, forcing the prince to appoint a prime minister of our choosing. A dewan, or prime minister, who knows he depends on the support from British power, and would be dismissed the moment that support should be withdrawn from him, takes care to conduct business in conformity with the inclinations of the British Government.

41. You consider the dewan as a less effective or more clumsy mode of absolute government?—When you appoint a dewan, you still can interfere only in a very imperfect degree for the prevention of misrule. Unless you take the collection of the revenue into your hands, and appoint your own collectors, with your own people to supervise those collectors, you may be perfectly sure the people will be plundered. In like manner, there will be no justice unless you administer it. All you can accomplish through the dewan is, to a certain degree, to prevent the prodigal expenditure of the government, improper interference with neighbours, and the violation of some of the general and broader lines of good conduct; but you cannot, without taking the government entirely into your own hands, know that he does not overcharge the people; and you know that you cannot have any security for anything like the administration of justice. All this goes on according to the usual plan in native states, and although a dewan or minister, who manages in accordance with your wishes, endeavours to prevent abuses, the means are wanting, and it is well known that they still go on.

42. Has it not been rather the disposition of the Indian government lately to restore the princes to their sway, to leave them to themselves, than to carry the interference further, and extend it?—The instructions sent from England have been very strong against interference, and against extending our relations at all. Both the British Legislature and the East India Company have declared strongly against extending our conquests, but every now and then it has happened that those conquests were pressed on the Indian rulers by a species of necessity. All our wars cannot perhaps be, with propriety, considered wars of necessity; but most of those by which the territories we possess have been obtained, and out of which our subsidiary alliances have grown, have been wars, I think, of necessity, and not of choice. For example, the wars with Tippoo and the Mahrattas. The conquests actually made by these wars, the dominion acquired and kept, we have frequently chosen not to acknowledge. There being a certain anticipation on the part of the conquering government that the avowed conquest, taking, in short, the government of the acquired territory, simply and frankly, as we took all the military power into our hands, would raise a storm of indignation in England, where, so long as we only

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only made the conquest, but took care to call it by the wrong name, all would be very well received,—the expedient of subsidiary and protective alliances was resorted to. The misfortune is, that to elude this species of prejudice in England, we were obliged to incur all the evil of the most perfect misgovernment in those states in the mean time.

43. Then the spirit of those instructions is diametrically opposed to your opinion of what would be the best thing for the happiness of the people?—In my opinion the best thing for the happiness of the people is, that our government should be nominally, as well as really, extended over those territories; that our own modes of governing should be adopted, and our own people put in the charge of the government.

44. That would lead to the deposing of the native princes, would it not?—It would lead to the making them all Rajahs of Tanjore, with palaces to live in, and liberal pensions, both for comfort and dignity, assigned them.

45. Do you imagine that the influence of the resident is never applied to alleviate the sufferings of the people?—It is always applied; sometimes more, sometimes less directly, but under infinite disadvantages. He has no instruments in the provinces to let him know what is going on. What he hears is incidentally; he may know that the country is oppressed, not prospering; that it is impossible it should prosper, and yet find it wholly impossible to use any effectual means to prevent the mischief. Such has been found to be the case in a most remarkable degree both in the Vizir's and Nizam's territories; and matters were still worse under the Peishwa, so long as territory was left to him.

46. In those cases, where there is no special clause, as in some cases, for larger intervention with the internal affairs of the country, the only plausible ground on which the resident could put his interference to protect the people from oppression, would be, that the oppression might endanger the peace of the country and the produce of the revenues which paid our subsidy, and might render our protection more difficult to be afforded; do you not think so?—Yes; and even on that ground, the resident is always restrained by his instructions not to interfere but on occasions of the greatest urgency. Upon certain occasions we have considered ourselves bound by some of our treaties to interfere, in order to coerce refractory subjects.

47. That emergency might chiefly consist in the way in which the oppression of subjects of a particular state might endanger the security of government, and increase the burden upon us in consequence of our alliance?—In the case of subjects, unless the resistance to exaction took the shape of a regular force, so as to threaten seriously the efficiency, if not the existence of the government, the resident would not think himself entitled to interfere further than by his advice.

48. Do you imagine the people themselves had rather be under the immediate dominion of the Company than that of their own native princes, circumstanced as those princes are?—The question admits of two answers; one, as regards the class of people who have held the powers of government, or might hope again to hold them under native princes. They are of course averse to our rule. The mass of the people, I believe, care very little by what sort of persons they are governed. They hardly think at all about the matter. They think of the present pressure and of relief from that pressure; but if they find themselves at peace in their dwellings and their fields, and are not burthened by too heavy an annual exaction, they are equally contented whether their comfort is under rulers with turbans or hats.

49. Then it brings itself to this: whether the immediate government of the Company is better than the intermediate or virtual government?—Yes; I consider the only other choice, that of leaving the entire dominion to the princes themselves, as wholly out of the question. I conceive that territories not only surrounding our own, but actually mixed with them, given up to princes whose great and almost sole object of ambition is to maintain a great rabble of irregular troops, more than they are able to pay; who are therefore perpetually hurried on to enterprizes of plunder, for the gratification of their predatory bands, are inconsistent with relations of amity. It would be impossible for us ever to feel in security against neighbours of this description, quarrelling with and plundering one another, and perpetually tempted, by the riches of our peaceful dominions, to turn their ravages upon them, without incurring such an expense for standing defence as would be equivalent to that of a perpetual war. The most obvious policy would call upon us to make war on those states and subdue them; which, to any power so far advanced beyond the native in civilization as the English, is never likely to be a matter of difficulty. Such a power, finding its own views of order and regularity constantly

constantly broken in upon by neighbours of that description, is not only naturally, but in some sort inevitably, induced to go on conquering one state after another, until it has got the whole territory. When you have proceeded to that extent, where nature seems to have pointed out the most admirable boundary, then you should stop, and govern what is included as well as possible.

50. The seat of the Pindarees was on the Nerbudda?—Yes; to the south of Malwa, whence they carried their incursions in every direction.

51. What has become of them?—They were entirely extirpated by Lord Hastings; I do not mean that every individual was slaughtered, they were entirely broken up, their leaders taken off, and they dispersed.

52. Had they any place that was their capital at all?—No; the different chiefs had forts and small territories, granted them chiefly by Scindia, where the marauders collected at a certain part of the year, and then issued out in parties of 500, 600 or 700 horsemen.

53. Have we not established our supremacy over all that it is desirable for us to obtain?—I consider that we have nothing now between us and the most desirable frontier every where, but the territory of Runjeet Sing. If we were threatened on the north-west frontier, for example, by an invasion of the Russians, we should, in self-defence, be obliged to take possession of the country to the foot of the hills, as we could not leave an intermediate space, in which the enemy might establish themselves.

54. Is his country in the mountains?—He occupies the Punjaub, or the country within the streams of the Indus. The boundary between him and the Hill States is not very definite.

55. Does the pass through the mountains at Attock open into his dominions?—Attock is in his dominions.

56. Where is Cashmere?—It is a valley up in the mountains, north of the Punjaub, and belongs to Runjeet Sing.

57. You may then almost be considered to say, that India has been conquered and administered in spite of instructions from England?—To a considerable degree that is the truth.

58. What is the meaning of the word Circars, in the term Northern Circars?—Circar, means a government. The Northern Circars are on the eastern coast, south of Cuttack. They are five districts, which got that name, probably, from being under separate governments. They have always belonged to the Madras presidency.

59. Were they administered by the Madras presidency directly, or through the medium of the native princes?—By the Madras presidency directly; though in the case of some of the hill districts, where the people are wild and unmanageable, the owners, a sort of local chiefs, have not been much interfered with in the management of their own people.

60. Do they come under the head of protected states?—We do not consider them as states, but as subjects. The Northern Circars were among the earliest of the Madras possessions.

61. Have you anything further to add on the subject of the subsidiary and protected states?—I can only repeat my opinion, that their real condition, in respect to us, is that of subjugation; they are part of our dominion, which we manage by no means to the advantage either of the people of those states, or to our own advantage. And farther, we bear all the expenses of the government pretty nearly, while we obtain but a part of the revenues; and the native rulers, ruling as our delegates, are wasting the rest, and destroying the resources of the country.

62. In a financial point of view, then, a more competent incorporation would be profitable?—Decidedly so. Beside what I have already said, one thing is clear, that under an obligation to maintain subsidiary troops within the territories of these states, you incur an unnecessary expense. A smaller force, disposed where it might act with greatest advantage for general purposes, would be equally efficient for general protection. It is still possible that this may be an intermediate state, through which it is expedient to pass. But what is of chief importance is duly to estimate an opinion maintained by persons of high name, whose opinions deserve the greatest attention, (among others Sir John Malcolm), the opinion that we ought to endeavour to retain this intermediate state as long as it is possible. From the view which I take of the matter, my opinion cannot but be, (of little weight, indeed, compared with that of Sir John Malcolm), that the more speedily we get out of it the better.

 63. Do

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63. Do you imagine that the longer it continues the greater will be the difficulty in putting an end to that eventually?—No, I think that by degrees we are proceeding towards it; and one effect of it, pointed out not by those who, under the name of conservative policy, would preserve the intermediate state as long as possible, is, that in the mean time these troublesome parties, the old military families who formerly enjoyed power, and do not willingly give up the hope of it, are gradually worn out, without bringing odium upon us. They would ascribe the cause of their declension to us, if we were to take the government entirely into our own hands; but when we merely take the military power, and leave a nominal sovereignty in the hands of the old sovereigns, they are equally unemployed and exposed to this decline and gradual annihilation, but do not seem to owe their calamities to us. I believe, however, that a good deal of this supposed advantage is fanciful; for they are not so ignorant as not to know that we are the cause of all the change which has taken place.

64. Do you conceive that it will be facilitated, the assumption of the power, by its still being allowed to continue some time longer?—I think the facilitation is more with respect to English feeling and prejudice than to India. There would be very little risk, I think, in putting all the subsidiary and protected powers in the state of the Rajah of Tanjore by judicious means; but I conceive there would be a very great outcry against it in England.

65. If you took the whole of the government, you would take the whole of the revenues?—Yes, and grant pensions to the chiefs.

66. You think the best policy would be always to have that object in view and that tendency?—Yes, and to accomplish it according as circumstances would allow.

67. Taking advantage of opportunities as they occur for realizing that system?—Yes, it is a result to which the nature of things is carrying us; it is inevitable; in the mean time the present state is attended with deplorable consequences; my opinion is, that it ought to be as short as you can conveniently make it.

68. During this suspense the exaction of the revenue is so much greater, and we bear the odium of it?—Yes, certainly so.

69. The means of levying the revenue is perhaps more objectionable than the amount?—Yes, because there is endless fraud and exaction by the subordinate people, who are under little or no control.

70. Do not the assignments of the revenue tend particularly to the distress of the inhabitants?—When they are not managed by our officers.

71. That is when assignments are made to individual natives for debts?—Yes, such assignments are invariably found to be a great source of oppression. When a needy government, unable to pay its creditors, gives an assignment of the revenues of certain territories to its creditor, and permits him to collect the revenue under no restraint, he takes whatever he can get; he is not in the least interested in the welfare of the ryots, in their being enabled to cultivate their land next year or not, which the government is; he carries off the bullocks of the ryot, all his implements of industry, even his miserable furniture, and leaves him nothing.

72. Do you imagine that the native princes, who are in fact under our government, attach much importance to the name and dignity of sovereign, or that they very much dislike being reduced?—Yes, they dislike it exceedingly; nothing is more ridiculous than their attachment to their mock majesty. The pageantry kept up at Delhi by the Mogul is an example. He holds his durbar every day, and gives pensions to people to come and present nuzzers, morning and evening, as if he were on a real throne.

Martis, 21° *die Februarii*, 1832.

THE RIGHT HON. SIR JAMES MACINTOSH, IN THE CHAIR.

Henry Russel, Esq. called in; and Examined.

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73. HOW long were you Resident at Hydrabad?—I held the office of resident there 10 years; I was there nearly 21 years altogether.

74. Were you 11 years assistant?—No, I was eight years assistant; I was then a year and a half at Madras, on a commission for the investigation of the Nabob of Arcot's

Arcot's debts; I was a year and a half in charge of the residency at Poonah, and for 10 years held the office of resident at Hydrabad.

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75. What opinion have you formed, from your experience and observation of the manner in which the subsidiary system affects the well-being of the inhabitants of the countries where it is established?—One of the most striking effects, perhaps the most striking of all, which a close connection with us, upon the subsidiary system, has produced upon the native states that have embraced it, is the condition of premature decrepitude into which it inevitably hurries them. Every faculty that is valuable to a state, every organ that contributes to its wholesome existence, seems to decay under our alliance. From the moment that we engage to protect a foreign prince, he ceases to have any inducement to maintain himself. The habit of going upon crutches deprives him of the use of his own limbs. By taking away the occasion, we take away, in the end, all power of exertion. Let a prince in this state of tutelage do what he may, his government must progressively decline. He has no longer anything to hope from good measures, or to fear from bad; he has no longer any inducement to strengthen himself against the hostilities of foreign powers, or to conciliate the affection of his own subjects; all community of interest or feeling between them is at an end, and having no longer any occasion for their attachment or support, he treats them as if he had none. He exacts, in the shape of revenue, not what they ought to pay, but what his own rapacity desires to receive. Those impediments which his people, if left to themselves, would raise against him, are prevented or removed by the dread of the exercise of our power, and he proceeds in his course of injustice, violence and extortion, without any fear of resistance or rebellion. I speak here principally of the Nizam's government, as that with the condition and progress of which I am best acquainted; and perhaps it furnishes the fairest example that could be chosen, as it is the one with which our alliance has been longest in operation. If the Nizam had not been protected as we were bound to protect him, either he must have abstained from the system of internal misgovernment which he has pursued, or his subjects would have been driven to redress themselves. This system of confederation, which we have hitherto pursued with the protected states of India is inevitably progressive in its nature. Every new alliance that we contract brings us into territorial or political contact with other states, which, in their turn, submit to the same system, and fall under the same consequences. A state that has once resorted to an alliance with us can no longer remain stationary. By degrees our relations become more intimate, the habit of relying upon foreign support gradually paralyzes its own faculties, and in the end it loses the form as well as the substance of independence. If it is galled by its trammels, and makes an effort to shake them off, as the Peishwa did, it only precipitates its own destruction; if it submits, it declines, by degrees, from one stage of weakness to another, until, like the Nizam and the Rajah of Mysore, it expires from exhaustion. The choice is between a violent and a lingering death. When once we changed the character of our establishments, and relinquished our capacity of merchant for that of sovereign, we entered upon a career in which it was difficult to check, and impossible to stop ourselves. Our largest and most frequent acquisitions of territory have been made since the declaration of the Legislature in 1784, that "to pursue schemes of conquest and extension of dominion in India, are measures repugnant to the wish, the honour, and policy of the nation." Lord Cornwallis arrived in India in 1786, with this declaration ringing in his ears, and found Sir J. Macpherson engaged in a negociation with the Mahrattas and the Nizam, in which the object of those powers was to inveigle us into a war with Tippoo. Lord Cornwallis's first act was to break off this negociation, under a declaration that the English would engage in none but strictly defensive wars. His second act was to propose an alliance to those very powers for a war, of which the result produced a large accession to our territory: but this was the fault, not of Lord Cornwallis, but of the circumstances in which he was placed. Events were no longer under his control; he was controlled by them; and the same has been the case with almost every one of his successors. Unless we are arrested in our progress by some formidable disaster, the result of our present course must be the falling to pieces of all the native states, and the acquisition of the whole territory of India to ourselves. The collection of the Pindarries, and the war we were obliged to undertake for their dispersion, were another consequence of the relations established by us with the principal states of India. Predatory bands have in all ages existed in India, and the name of Pindarry was known, I believe, as long ago as the time of Aurungzebe; but organized bodies of such magnitude as those which were

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were collected before the war of 1817, permanently occupying tracts of country acknowledged as their own, openly treating with the governments in their neighbourhood, and systematically conducting predatory expeditions, from which even our own territory was latterly not exempt, were unheard of before the extension of our power, and while the principal states retained their independence; but as they declined in power, and entered successively into more intimate relations with us, they no longer required, nor were able to maintain the same military establishments as before. Large bodies of cavalry were consequently discharged, both in Hindostan and in the Deccan; legitimate service was no longer open to them; they could not, or would not change their mode of life; and by degrees they congregated and established themselves in those districts next the Nerbudda, which were at once the most accessible to them, and the most secure from our reach; the rapidity of their increase was promoted by the same causes that had produced their original foundation, and by the success with which their early enterprizes were attended. They were constantly recruited by parties, or individual horsemen, who fell out of employ; and the regular states, too feeble to resist them, had recourse to the fatal policy of buying off their incursion, in some cases by payments in money, in others by cessions of territory. But this, though a serious, was a temporary evil. Having once been encountered with decision, it was extinguished. The source in which the Pindarries originated has been stopped; the native states have no longer large bodies of cavalry to discharge, and even if they had, there is no longer any secure position in which those bodies could assemble and establish themselves.

76. Can you shortly state to the Committee the progress of subsidiary treaties with the native states; for instance, what was the first subsidiary treaty with the Nizam?—We had an early treaty, in the nature of a subsidiary engagement, with the Nabob of Lucknow, now called the king of Oude. But that was so old in point of time, and so distant in respect of place, that it cannot be considered as forming a part of what may now be considered as our subsidiary system.

77. That treaty?—Yes; that treaty.

78. When was that treaty made; was it by Lord Clive?—I do not immediately recollect.

79. What was the time of the first treaty with the Nizam?—Our first treaty with the Nizam was made in 1766. By that treaty we engaged, on receiving three months' notice, to afford him military assistance, and he, in consideration of the yearly payment of nine, afterwards reduced to seven, lacs of rupees, granted to us the tract upon the sea coast, between Ganjam and Masulipatam, called the Northern Circars. The next was a treaty of peace in 1768, the Nizam having in the interval joined Hyder Ally in a war against us. By that we agreed to furnish the Nizam with two battalions whenever he should require them; but he never did require them.

80. Their being furnished depended upon a requisition from him?—Yes.

81. They were both subsidiary treaties?—They were only for temporary asistance.

82. They were not for keeping up a force?—No, the first treaty that can fairly be called a subsidiary treaty, was that of Paungah, concluded with the Nizam in 1790, preparatory to Lord Cornwallis's war.

83. Was that a subsidiary treaty?—Yes; but the force furnished by us under it was not permanent. It was preparatory to the war with Tippoo; it made the Nizam a member of the triple alliance, consisting of himself, the English, and the Mahrattas, against Tippoo. The force furnished under that treaty consisted of only two battalions.

84. Did we do it by one general treaty with the three powers, or by separate ones?—By separate treaties.

85. The Nizam was no party to the treaty with the Mahrattas, nor the Mahrattas to that with the Nizam?—No, not directly.

86. Was this intended as a permanent arrangement, or merely for that particular purpose?—It depended upon the pleasure of the parties; it was determinable at any time that either party chose; and in point of fact, the two battalions were dismissed by the Nizam in 1795, in resentment of our refusing to assist him in his war with the Mahrattas; but they were recalled almost immediately afterwards, in consequence of the rebellion of his eldest son.

87. Was the occupation of any part of the territory of the Deccan or of the Nizam's dominions, any part of the stipulations of that treaty?—No; no territorial cession was provided for until 1800.

88. Having

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88. Having in view a war with Tippoo, and contemplating a partition of dominions?—Yes; and there was a partition treaty afterwards.

89. Was that partition treaty after the peace?—It was; in 1792, after the peace.

90. It was understood, was it not, that there was to be a partition treaty when they first went to war?—It was expected, though I think there was no specific provision made for the scale of partition. We had then a second subsidiary treaty with the Nizam in 1798, preparatory to another war with Tippoo.

91. That was Lord Wellesley's?—Yes; and that was the treaty that made the subsidiary force permanent, though it did not provide for any cession of territory for the payment of it. The Nizam was still bound to provide a money payment for the subsidiary force. The last subsidiary treaty took place in October 1800, the year after the fall of Seringapatam.

92. Did that treaty provide for the cession of territory?—Yes, it did.

93. With the same Nizam?—Yes.

94. Can you tell the Committee what was the outline or plan of that treaty?—The force provided for by that treaty consisted of eight battalions of native infantry, of 1,000 men each, and two regiments of native cavalry, of 500 each, with the due proportion of artillery, and the Nizam agreed, in commutation of the money payment, to cede to us all the territories acquired by him under the two partition treaties of 1792, and the other in 1799, after the wars with Tippoo.

95. In respect to the subsidiary troops, do we levy them in the dominions of the princes for whose protection they were intended, or in our own possession?—Generally speaking we levy them in our own possessions, but on one occasion a recruiting establishment was formed in the Nizam's country to supply the regiments with troops, but I believe that even the men recruited there were inhabitants of our own territories, who came into the Nizam's country in search of service.

96. The inhabitants of the territory of the native state would not be reckoned safe, would they?—No, nor are they the kind of persons we should like to take.

97. Were those 10,000 men to be stationed in the Nizam's territories?—Yes, permanently; there was a provision made, that in the event of war they should all be applicable to the purpose of general hostilities, with the exception of two battalions, which were to remain near the person of the Nizam.

98. Was he to pay them?—He ceded territory in commutation of the money payment; he ceded to us all the territory acquired by him under the treaty of 1792, after Lord Cornwallis's war with Tippoo, and under that of 1799, after Lord Wellesley's war.

99. We were to maintain them after that cession?—Yes.

100. And we were at liberty to increase them if we saw occasion, were we not?—No.

101. Not in the event of hostilities?—We might, considering his territories as the territories of a friendly power, have sent troops to act in them; but we had no power to increase the subsidiary force permanently stationed in them.

102. Was, then, the first cession of territory in consequence of a subsidiary alliance?—The first, with the exception of the Northern Circars ceded to us in 1766.

103. Was there any subsequent alteration in the provisions of the treaty?—There was one trifling alteration in the composition of the force immediately before the war with the Mahrattas, in 1803; it was thought inconvenient to have so large a force as the Hyderabad subsidiary force, consisting of natives only; a separate arrangement was therefore entered into with Nizam, by which he agreed to receive a regiment of 1,000 Europeans instead of 2,000 sepoys.

104. There was no other alteration in the federal relations?—No.

105. What year did you go to Hydrabad?—Originally in the year 1800, just before the conclusion of the treaty of that year.

106. You had occasion to see a good deal of the Nizam's country, making excursions of various sorts, going down to Madras, travelling, and so on?—Yes.

107. Did you observe any, and if so, what alteration in the state of the inhabitants of the country from the beginning of your acquaintance with that province to the end of it?—I should say, that a very material and constant change was going on for the worse; the population was becoming more scanty, their poverty was increasing, and they were being gradually and progressively reduced to a still more and more abject condition of misery.

 108. Between

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108. Between what years?—1800 and 1820.

109. There was a commercial treaty in 1802, that had nothing to do with subsidiary arrangements, was there not?—Yes; but it was hardly attended with any practical consequences.

110. To what was the deterioration to which you have alluded to be ascribed?—To the increasing rapacity and misrule of the government. The government was originally a bad government; and the persons composing it were of one religion, while the people were of another. I think a great deal is to be referred to that cause.

111. It was a Mahometan government?—Yes, with a Hindoo population.

112. Did it ever occur to you, that any part of that constant degeneracy of government arose from its inability to protect?—A great deal arose in this particular instance from the personal character of the old Nizam, and of his minister, Azim-ool-Omrah, a man who was in absolute power for many years; they were both very weak, very extravagant, and very rapacious men.

113. After making all allowance for personal character, do you consider the subsidiary relation itself as having a tendency to produce that?—I have no doubt it gave efficacy to all the bad features of that character.

114. Were you for some time resident at Poonah?—Yes, a year and a half.

115. At that time the Peishwa was a subsidiary ally?—Yes.

116. In the space of time between 1800 and 1820, what sort of change did you happen to observe in the ceded territories?—I never had an opportunity of seeing the ceded territories. I have no doubt the progress that had taken place there had been precisely the reverse of what I have mentioned; having been transferred to our government, they were reviving in much the same ratio in which the rest of the Nizam's territories were declining. I have always understood they were progressively improving. Our own territories are better governed than those of the native states in close alliance with us, but not so well governed as the territories of those native powers which have retained any considerable portion of their original independence. There was a great difference between the character of the Peishwa's government, under the influence of our subsidiary alliance, when I saw it, from what I noticed in that of the Nizam. The alliance with the Peishwa was of more recent origin, and his government was in a much more vigorous state. And that I take to have been one of the causes of his breaking out as he did; he relied on his own people and on his own vigour. His government had not been weakened and humbled like the Nizam's; he could not brook the weight of our control, and he fell in the effort to cast it off.

117. Was he a Hindoo?—Yes, a Mahratta, as well as his people.

118. You think upon the whole, that the marks of the vigour of his government were discernible in the better condition of the people?—Remarkably so; his people were contented, and had great reason to be so.

119. Is there the same importance attached to caste that there was?—Among the Hindoos as much as ever.

120. Would they not dislike being governed by princes of inferior caste?—Yes; they look down with great disgust upon their own lowest castes.

121. Had we ever a subsidiary treaty with the king of Tanjore?—Yes, I think we had.

122. Is the natural course of a subsidiary treaty that it will end in the complete dependence of the state in time?—Yes, inevitably.

123. Lord Wellesley was the first who begun that subsidiary system, was he not?—Yes, that system in the shape and to the extent in which it is now contemplated by the Committee.

124. Were you at Poonah before or since the termination of the Peishwa's government?—Before the war with him.

125. You have no knowledge of the actual state of it?—No; I left India shortly after the war which placed his territories in our possession.

126. You do not know anything particularly of the Nagpore country?—I apprehend it was better governed than the Nizam's, but not so well as that of the Peishwa; and in point of condition, it occupied perhaps an intermediate place between the two.

127. Our first connection with the Peishwa begun when he was under a regency?—No; we had in early times a close connection with his father Ragobah, but not of a permanent nature; we espoused his interests when he was opposed by the other

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other branches of the Mahratta confederation; but we had no connection with this individual Peishwa.

128. He was an infant when he came to authority?—Not when our first treaty was concluded with him; we had no treaty with him till that of Bassein, concluded in 1802. An attempt was made by Lord Wellesley to induce him to join the alliance with the Company and the Nizam against Tippoo in 1798, but he refused. After the conquest of Mysore a considerable portion of territory was reserved, and offered to the Peishwa as a gift, on condition of his becoming a member of the subsidiary alliance, but he persisted in his refusal.

129. You mean of the triple alliance?—No; the triple alliance was that of 1790.

130. Was not territory offered to Holkar, which he refused?—No.

131. Were not treaties made with Scindia and Holkar before the war of 1790?—No, not on that occasion. I believe that Scindia and Holkar joined as dependents of the Peishwa, but not as independent powers.

132. We have treated with them as independent powers?—Yes, we did long anterior to that, though the treaty of Sahley in 1782 was rather negotiated through Scindia than concluded with him. By our treaty with the Peishwa in 1817, the Mahratta confederacy was "dissolved in form and substance." Since that time, therefore, Scindia, Holkar, the Rajah of Berar, the Guickwar, and the other smaller Mahratta princes have been nominally as well as really independent. Our first *subsidiary* treaty with the Peishwa took place in 1802: he was dethroned or abdicated, whichever it may be called, in 1818; he therefore survived his alliance with us only 16 years.

133. You say, in your answers to the written questions proposed to you, that the only danger we have to apprehend is from a well-concerted conspiracy, or a rebellion of our own army; do you mean a conspiracy among the immediate subjects of the Company, or among the native princes under our control?—Among our own subjects. The greatest danger is from our native army; and the next, and perhaps the only other, is from our own subjects. I do not apprehend that there is any danger from a conspiracy of the native princes; they might concur in it, and render assistance, but the greatest source of danger appears to me to be in our native army, and there, I think, there is very considerable danger.

134. Immediate danger?—It might occur at any time; particularly if among the native officers a man of considerable talent were to arise, and to acquire influence, as such a man might, over the sepoys.

135. You do not think there is any foundation now for such an apprehension?—No; I think the occurrence of the danger would be sudden; if there were time to discern its approach, I think it might be averted. In 1806 we had a formidable and an extensive insurrection among our native troops.

136. That arose from a particular cause?—It is doubtful what the real cause was. Those generally assigned lay upon the surface. The efficient causes, I believe, lay deeper.

137. You do not apprehend there is any settled disaffection?—Certainly not.

138. But you think there is a constant indefinite danger belonging to our position in India?—The magazine is charged, though at present there is no spark likely to be applied to it. The danger most to be apprehended is the appearance of any person of considerable talents and ambition among the native officers, whose situation would enable him to take advantage of any accidental disaffection among the sepoys. I have no doubt that many of those individual native officers having got all that they can get, are very much discontented.

139. Would a Hindoo be readily received into Mahometan society if he abandoned his religion?—Yes; they do not look upon an apostate with the abhorrence that we do. The Mahometans receive converts readily. The Hindoos, as they do not admit proselytes, look with great indifference on the followers of other religions.

140. Do you conceive that employing a great number of natives in civil and military stations of trust would be attended with danger, or would be an improvement?—The process of introducing them would necessarily be one of time and considerable difficulty; but the result would be very beneficial. The great mischief of our internal government in India has been, the abolition of the respectable class of natives; it has occasioned the utter extinction of that class.

141. You think it could not be done immediately?—It must be a work of both time and difficulty.

 142. And

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142. And of some danger?—Yes, of course; all very great changes involve some degree of danger. I think, however, that it might be accomplished without any serious danger; and it is a measure of such eminent importance, that I am satisfied it ought to be attempted.

143. The effect of it would be, raising natives to become conspicuous among their countrymen, so far setting them forward to do mischief?—We should hardly increase their power of doing mischief, and we should very much diminish their inducement. By affording them, what we do not afford them now, respectable employment, and placing them in a creditable condition of life, we should do more than we could effect in any other way to reconcile them to our government. At present they cannot but be dissatisfied with it, not as a foreign government only, but as a government in which they have no stake, and which holds out to them no objects of hope or expectation. I take the reign of Akber, who was contemporary with our Elizabeth, to have been that under which India was the best governed. We have no reason to suppose that it had ever been so well governed before, and we know that it has never been so well governed since. The instruments that were principally chosen by him were not of his own race and religion, but Hindoos, the natives of the country; and the result justified his choice.

Martis, 6° *die Martii*, 1832.

THE HON. CHARLES WATKINS WILLIAMS WYNN, IN THE CHAIR.

Lieutenant-Colonel *Barnwall*, called in; and Examined.

Lt.-Col. *Barnwall*.
6 March 1832.

144. HOW many years have you been in the service of the Company?—Thirty years.

145. During that time what diplomatic situation have you held?—During the last 10 years I have held the situation of Political Agent in Kattiawar.

146. During that time had you many opportunities of witnessing the effect of the subsidiary system upon the native powers?—As far as our subsidiary treaty with the State of Beroda, I had an opportunity of witnessing its effects.

147. What power was the subsidiary in the service of?—The Guickwar, one of the Mahratta powers, with whom we entered into a treaty in the year 1802.

148. For what period can you speak to what has been the effect of that arrangement on the internal state of the country?—From the period of our treaty with the Guickwar until the year 1820, during which the natural defects and condition of the prince caused the government to be controlled under the advice and aid of the resident.

149. Do you mean the whole internal government?—A minister and a regency conducted all the details of the Beroda government, subject to the advice of the resident, who superintended their proceedings, reporting every thing that took place to his own government for their approbation and information; the effect of this control was very favourable. In 1802, at the period of our first connection, this government had been nearly subverted by the Arab soldiery, and by disputes that existed between the different members of the Guickwar family; it also was so oppressed by pecuniary embarrassments as to be in a state of bankruptcy. Through our interference money was advanced and loans were raised by mortgaging, or rendering (under our bhanderry) the revenues of the State liable for the sums advanced: the effect of our control and arrangements up to the year 1818, cleared nearly all the old debt of the State, and raised it from a condition of anarchy and bankruptcy to one of comparative prosperity and tranquillity.

150. You were in Goojeraut as late as a year ago?—I was, 18 months ago.

151. Can you state in what state the country now is with respect to its revenue?—A depreciation in the value of agricultural produce had taken place, and the revenues had decreased. The eastern districts of Goojeraut are very rich and fruitful, especially those under the direct rule of the British Government.

152. Part of the country has been ceded to us, we understand?—We have a great number of districts in the Goojeraut, others came under us by the conquest of the Peishwa's dominions.

153. What

153. What is that depreciation arising from?—Agricultural produce being depressed, and not being saleable at the former prices.

154. What is the cause?—The changed state of India; it was formerly greatly disturbed, and it is now in a state of internal peace; this prevents the employment of numbers of men, as well as all extra demands; from this cause a larger part of the population have become agricultural, and the supply of grain, which is the principal produce, so far exceeds the consumption, that there is a glut which causes a depreciation in the value of the produce.

155. I should have thought, as the country was less disturbed, that would have been counterbalanced?—This has not been the case in India. During the disturbed state of that country, larger establishments were maintained; these were consumers of the produce of the soil; they have now become its cultivators for a subsistence. There is therefore now a great deal of increased tranquillity, but a less demand.

156. You say the cultivation of the country is improved, and tranquillity increased?—Tranquillity has generally increased, but the profits of the farmer is reduced, and therefore a remission of his revenue has become requisite.

157. Are the native powers in general consenting to a remission of the revenues in consequence of the fall in the prices of agricultural produce?—I can only speak with respect to Goojeraut, the part that I was employed in: I do not think that they have made any remission to the degree that they ought to have done, but they have been obliged to make some remissions, because if they had not, their ryots would seek shelter in the Company's districts; their vicinity affords to the ryots of the native States a place of refuge, and this asylum, which they can always obtain, tends materially to lessen the power that the native governments would otherwise possess of oppressing with impunity their ryots by over exactions.

158. Are you of opinion that that counterbalances the increased power which he has of collecting the revenue by the service of a more efficient force, which is subsidiary to it?—In a degree it does so, the force within the Guickwar possessions affords increased security to the subjects of it, while it also gives increased power to the ruler of the State.

159. What I mean to say is this, does the increased power which that subsidiary force gives it, is it counterbalanced by the facility which the vicinity of the Company's territory affords them of transferring their residence there, and of migrating from the State?—How far it operates in doing so it is very difficult to specify.

160. Previous to the employment of the subsidiary troops for collecting the revenue, is it necessary for the Guickwar to obtain the approbation of the resident?—Certainly, he cannot employ any part of the troops unless the resident concurs in the justice of the way in which they are employed; he is not entitled to the aid of the force unless to obtain a just object.

161. Have the force been employed for collecting the revenue?—Never; the Guickwar, by mismanagement, might excite a disturbance that would make it necessary to employ the forces to put it down, and to preserve the general peace of Goojeraut; we cannot deprive the Guickwar of the aid he is entitled to by treaty, but we have a right, which would be rigidly maintained, of not allowing our aid to be used for unjust purposes.

162. The only security then appears to be in the conduct of the prince?—While we have no control over his government it is so; and it is the most difficult thing to suggest an effectual check against our protection being abused. So long as the resident had a control sufficient to influence the government, our protection could not have been made use of to a bad object; this control ceased with the life of the late prince, whose natural defects caused it; the succession of the present prince was accompanied by his assumption of the management of his own government, and our influence being limited to the fulfilment of our bhanderry contracts to bankers and other individuals.

163. Since what time is that?—Since 1820. I beg leave to refer the Committee to the Minute of Mr. Elphinstone, dated in April 1820; it will supply all the particulars that rendered it necessary for us to retire from a greater interference. Sir John Malcolm's Minute of the 1st March 1828, and his further Minute and his Journal of his proceedings at the Court of Beroda in January 1830, will furnish the Committee with a detail of all transactions with this State up to the latest period.

164. Is Sir John Malcolm's Minute published in his book?—No. There is a letter also of the 7th January 1820, from the Bombay government to the supreme

 government

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government of Bengal, in which they take a full review of the nature of our Beroda relations, which would be also a useful paper to refer to.

165. Are you prepared to suggest any effectual check under the subsidiary system short of assuming the entire direction of the native forces?—I cannot suggest any plan. I believe experience has shown the impracticability of carrying on interference, with benefit to the people or the ruler, unless the prince will be entirely controled by our advice; this is a species of management few independent princes will ever be reconciled to. Our political relations with Oude are similar to those at Beroda, and I believe all attempts to induce the king of Oude to make arrangements for an improved system of internal government has proved ineffectual, in consequence of the Prince being decidedly opposed to any degree of control that is calculated to lessen his patronage, or to limit his profits of management.

166. In point of fact, previous to the year 1820 our resident was himself the acting governor?—The ruling prince being, from his natural defects, unable to conduct the details of his government, they were managed by a minister and a regency, who acted under the advice of the resident, and the State was relieved from a great debt it had incurred. Under this control, by this period, could a similar system have been continued, it is probable the old as well as the new debt would have been paid off; but the result is now very different, as, after we withdrew from interference, the prince has not paid the loan contractors, but put the revenue in his private coffers.

167. Is not that very general in consequence of the interference, the prince having a private coffer of his own, independent of his public treasury?—In the Mahratta State it is frequently the case; I believe no State in India has derived so much benefit, both as affecting the government and the people, as the Guickwar State, from our interference. Soon after the prince was left his own master his government fell into disorder, and his avarice involved it in great pecuniary embarrassments.

168. Is that from profusion or avarice?—In this instance avarice impelled him to violate our guarantee. That offence would justify, according to usage, any degree of severity or penalty that government might have thought proper to inflict, as the State failed to fulfil its obligations to the bankers who had advanced loans on the faith of our bhanderry. This is a contract by which our government comes under an obligation to fulfil a mortgage on the annual revenues. The prince pledges a certain portion of the receipts of the government, or the revenues of particular districts, to pay it; we are bound, as the bhanderry, to use all the power we possess, if such becomes necessary, to enforce the fulfilment of this contract: we might confiscate. It differs from a guarantee so far, as if we had been guarantee, a pecuniary responsibility would attach to us, but a bhanderry obligation is limited to the enforcement only of the contract.

169. It seems to be the disposition of these princes rather to amass treasure than to waste it?—Their object is to accumulate private treasure and hoard it.

170. Do they lead a jolly life?—The present prince is not of a disposition to do so, or to spend money, as he is very parsimonious.

171. Is their object in amassing this treasure to provide for their family?—No, the treasure of this prince would be the property of his successor at his death: his family are provided for by the State.

172. It seems now to be more the continuance of inveterate habit than anything else?—The habits of all the Mahratta princes lead them to desire to accumulate treasure, as the possession of it gives them weight and consideration.

173. Can you inform the Committee whether it is a usual clause in the treaties with these princes to give a bhanderry for the public?—No clause in our treaties mention it; the practice we found to exist on forming a connection with the Beroda State: this custom was general throughout the Goojeraut, and shows the mistrust of the people with respect to their government. In every contract between the prince and his subjects mistrust was so great that security was essential to produce confidence from those possessing sufficient power: the Arab zemindars were selected to be the security to every contract for money lent and the engagements of government, and we were obliged, as a condition for obtaining quiet possession of the fort of Beroda, to substitute our bhanderry in the room of that of the Arabs, which we removed.

174. Who stipulated for that?—Government. It is a point of honour with the Arabs not to withdraw unless replaced by a new security; their character is concerned in the observance of this rule; the native governments in Goojeraut all observed

observed this system for enforcing claims; in fact it was the only way in which all engagements were entered into and fulfilled.

Lt.-Col. *Barnwall.*
6 March 1832.

175. For what time and in what part of India were you employed?—In the province of Goojeraut.

176. In what department were you employed?—In the Revenue department for about 12 years, in the Political for nine years.

177. You were employed in the collection of the revenues for the districts ceded for subsidy by the Guickwar?—I was.

178. Will you mention the comparative state of the ceded districts compared with the districts under the direct sovereignty of the Guickwar?—The Company's districts are in a better condition, and both person and property are more secure.

179. The revenue of the Guickwar is in a most involved state?—It is embarrassed from the misconduct of the present sovereign.

180. What is the revenue of the Ceded Districts now, are they in arrear?—It is impossible for me to state the arrears. The provinces under our direct rule in Goojeraut yield about 38 lacs of rupees of revenue, but within that sum are included provinces that we have acquired by conquest from the late Peishwa.

181. Have the revenues of the Goojeraut districts fallen off since they have been in our possession?—No, they have rather increased by increase of cultivation, and by the increase of population; the rates of revenue I believe have not been increased.

182. Have they been diminished?—The revenues have been diminished, and are diminishing with the price of produce; our system was not to increase but from new cultivation.

183. Is the general cultivation of the Ceded Provinces superior or inferior to that of the provinces in the direct dominion of the Guickwar?—Both are remarkably well cultivated.

184. Do you say there is any difference between them?—I think there is a greater increase of cultivation in the Company's provinces than in the Guickwar.

185. You consider the profits of cultivation to have diminished since the war, in what proportion?—I do; from the depreciated value of produce: it is felt particularly by those who have a fixed property, and who pay a fixed rent; their produce of course yields a less profit than it formerly did.

186. I think you said the value of the land in cultivation generally was decreased since the war in the proportion of about one-third, if I understood you?—Cotton had fallen in price, and so had grain; the market prices would be the best criterion for ascertaining to what extent; I cannot exactly state the degree, from memory, that they have fallen in the market.

187. You can only state that there is a considerable decrease?—Yes, a considerable decrease in the revenues, and a fall in the prices of produce.

Martis, 27° die Martii, 1832.

HENRY GALLY KNIGHT, ESQ., IN THE CHAIR.

Colonel *Munro,* called in; and Examined.

Colonel *Munro.*
27 March 1832.

188. IN what part of India were you?—In the Madras establishment.

189. Only at Madras?—Yes.

190. In what situation were you?—I was Resident at Travancore and Cochin for about 10 years.

191. What opinion have you formed of the general nature and character of our subsidiary treaties in India and their effect on the good government in the respective territories to which they relate?—I may state that our subsidiary alliances appear to me eminently calculated to strengthen our military and political power in India. How far they may be conducive to the internal good government of the several states with which we are connected must depend entirely on the use we make of our influence over the administration of those states.

192. Are you aware of any states in which it was usefully exercised for the happiness of the inhabitants of the country?—Yes; in Mysore, while the late Sir Barry Close and Mr. Webb were residents, it promoted the prosperity and happiness of the

Colonel *Munro*.
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the country; and in Travancore, when I was resident, several measures were adopted at my suggestion for the amelioration of the condition of the people.

193. Were there any particular features in the possession of the resident with regard to these countries?—In Mysore there was a very able duan, who acted under the superintendence of the residents. In Travancore I was obliged to take direct charge of the administration of all the branches of the government and to act myself as duan, in consequence of the great difficulties and embarrassments in which all the departments of the state were involved.

194. Was that by native mismanagement?—By native mismanagement.

195. Previous to any subsidiary alliance?—Both previously and after it. The country had declared war against the British Government, and it was soon after the conclusion of peace that I was appointed resident. But no description can exhibit an adequate idea of the oppressive character of the native government of Travancore, and of the great embarrassments under which every part of the administration laboured.

196. You found great fiscal exaction and mal-administration of justice?—There was no administration of justice whatever; the rajah was absolute; the duan exercised in the most despotic manner all the powers of the government. There was a chain of officers, from the duan to the meanest inhabitant, exercising also all the powers of government, judicial, revenue and military; bribery and extortion prevailed in all parts; every officer of the government had authority to impose fines on the people at his pleasure; the property of the inhabitants was considered to belong to the rajah on their death, and was only redeemed by very oppressive fines.

197. Were you authorized by treaty to take upon yourself that direct interference?—The treaty authorized the general interference of the British Government; but I assumed the charge of the administration at the express request of the rajah, with the authority of the British Government.

198. In short, it was completely voluntary on the part of the rajah?—It was at the earnest request of the rajah.

199. With the concurrence of his subjects?—They were never consulted.

200. Have the kindness to state the changes that were introduced in consequence of your suggestions?—Many most oppressive monopolies and imposts were abolished, improved arrangements were adopted in the collection of the revenue, the powers of the public servants were limited and defined, a system for the administration of justice was introduced under their own laws, and all the debts of the state were paid off.

201. You made an attempt to introduce the Hindoo law?—That is the law of the country; no other law has ever been admitted.

202. You introduced that because there was no law at all before?—Only the arbitrary will of the servants of government; practically there was no law whatever, although the Hindoo law is the law of the state.

203. With what success was this measure attended?—In general the results were extremely satisfactory, and the administration, after these objects were effected, was delivered over to a native duan.

204. Then subsequently did it go on well?—While the influence of the resident was employed in guiding the administration of affairs, it did go on well; but I have understood that latterly that influence has been very much withdrawn, and that affairs have relapsed into their former state of misrule and disorder.

205. And that the condition of the inhabitants is much less happy than it was?—I have understood so.

206. How long had you the charge of the situation?—About three years.

207. Between the years 1809 and 1812?—About the year 1811. I was appointed in 1810; I took charge in 1811; from 1811 to 1814.

208. What was the nature of their relations with this country?—It was connected by a subsidiary alliance, authorizing the British Government to interfere for the good of the people.

209. To an indefinite extent?—The degree of interference was not specified.

210. That was the treaty of 1795?—There were two treaties; the last was negotiated by Colonel now General Macaulay: I believe it was in 1805 that the last subsidiary treaty was made.

211. Those treaties authorized our almost indefinite interference?—They authorized our interference, without stating or imposing any limits to the exercise of it.

212. Was this treaty accompanied by any stipulation of military protection?—Yes;

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Yes; it was a subsidiary treaty, by which a military force was to be maintained for the protection of Travancore.

213. And in the country?—The government, to the best of my recollection, reserved to itself the power to employ part of the force in the Company's territories, if it should be necessary.

214. This force was there while you were there?—Yes, it was; I have understood it has been since withdrawn by Mr. Lushington's government, but that the subsidy has been continued.

215. There was a subsidy as well as protection?—Yes, to pay the troops.

216. Was not the subsidy converted into a cession of territory latterly?—There was no cession of territory.

217. It was hard cash, in short?—Yes, and is now paid, since the removal of the troops.

218. You know that of your own knowledge?—I have understood so, it is only from information.

219. Have you reason to suppose the natives viewed your interference with satisfaction, when you took upon yourself the administration of the government?—I have every reason to believe they did; it relieved them from a most oppressive system of government.

220. What opinion have you formed on the subject suggested a good deal by Sir Thomas Munro, of employing a duan in the management of a country?—A duan must necessarily be employed if the states preserve any appearance of independent government; while they retain the appearance of independent government the British influence must be exercised through a duan.

221. Will the country be better managed indirectly through a duan, or directly by a resident?—While the native states retain possession of the government of their territories it would be highly inexpedient that the resident should take charge of the administration; it is only in a case of great exigency that it would be necessary for the resident to assume the direct management of affairs.

222. Do you think a country is more happily and better governed indirectly through the duan, or directly by the resident?—It must depend on the character and capacity of the duan; I suppose there would be a greater security for good government in the integrity and ability of a British resident; but that measure could be employed only in a case of great extremity; its permanent adoption would excite extreme jealousy, and involve, in fact, the subversion of the independence of a state.

223. Have you reason to believe that since the resident has exercised a less direct interference, the affairs of government have relapsed into disorder?—I have been informed so.

224. Do you recollect the amount of the subsidy?—It is eight lacs of rupees a year, and it is now drawn from the country without any return, as the subsidiary force has been removed.

225. Of course it is on the understanding that the troops shall be forthcoming in case of necessity?—Yes; but if no subsidiary treaty existed, we should find it necessary, from a regard to our own interests, to protect that country, both against foreign invasion and internal anarchy.

226. You seem to be of opinion that it would be more for the happiness of the natives to continue the subsidiary system than to retrace our steps?—We cannot abandon the subsidiary system without endangering our own security; and I consider that the employment of the resident's influence over the management of the affairs of the states connected with us by subsidiary treaties, (I understand, of course, when that influence is exercised with judgment and ability,) will not only be conducive to the happiness of the inhabitants of those states, but will in general be necessary to prevent oppression and injustice on the part of their governments.

227. What was the tenure of land in this country; did the zemindary system prevail?—The tenures are very various; a ryotwar system prevails, in which the most absolute property in the soil is recognised.

228. Were you resident at any other place?—No.

229. Have you any observations of a general nature to make, in addition to what you have given, to throw a light on the subsidiary system?—It appears to me that the subsidiary system is calculated to occasion misgovernment and oppression of the inhabitants, unless it is corrected by the influence of the British resident.

230. Then you think the disadvantage attending the subsidiary system can only be

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be obviated by the personal character of the resident?—By the abilities and integrity of the resident.

231. Do you conceive in general the powers of the resident are too much restricted by the nature of the subsidiary system?—He generally acts under the instructions of his government, which vary according to circumstances; but a disposition has been manifested to abstain from interferences in the internal affairs of the allied states.

232. Without reference to such treaties?—Always with reference to the treaties.

233. The residents are in constant communication with the government?—In constant communication; they report all their proceedings to government, and act under its directions.

234. There are no stated times of communication?—No.

235. What sort of intervals did you usually have?—It depends entirely on circumstances; a week or a fortnight, perhaps only a day.

236. What was the longest time you were ever without?—Usually 10 days or a fortnight, seldom more.

237. Had you never to wait for answers?—Yes; occasionally there was a delay in receiving answers.

238. Were you ever inconvenienced by the delay?—I cannot say that I was; points of urgency were answered with expedition.

239. There were no points in which it was necessary to refer home: they did not frequently occur?—No, they did not.

240. But sometimes?—They might occasionally have occurred. The government took on itself to decide on matters relating to the local government that required immediate execution.

241. The other place at which you were resident was Cochin?—Yes.

242. What were the particular circumstances of that?—Very much resembling those in which Travancore was placed. I was obliged to take charge of the internal administration of Cochin also.

243. That had been in a state of maladministration?—Yes, in great confusion; and it had a very heavy debt to pay to the Company, occasioned by the expenses of the war in which it had been engaged against the British Government.

244. Did not a considerable part of the debt originate in a pepper contract?—No, the greater part of it was occasioned by arrears of subsidy, and by the expenses of the war, which those countries had to pay to the English Government. The contract for pepper expired before I arrived in Travancore.

245. The subsidy was paid in money?—Entirely in money.

246. At Cochin, likewise, you found almost the non-existence of justice?—The same general description will apply to Cochin as to Travancore.

247. And in the same way it was revised and improved while you were there?—Yes, the same remedies were employed, with similar results.

248. What proportion did the subsidy bear to the whole revenue of the country?—A very great proportion. I frequently applied for a reduction of the subsidy to the British Government, but without effect.

249. Do you conceive, in consequence of the extent of that subsidy, the country was impoverished so as to interfere with its produce?—Of course, greatly so. The revenues of the country scarcely amounted to seven lacs of rupees, and the subsidy was three lacs and a half. The removal of so great a quantity of specie from the country must operate injuriously to its prosperity.

250. What were the amount of the revenues in Travancore?—Twenty-eight lacs of rupees when I took the charge of it; they were raised to 34 lacs when I delivered back the charge of the government to a native duan.

251. In the Company's territories, your idea is that too great a revenue was exacted?—Yes. In the same way I may state, that the drain of treasure from the Company's territories, without any adequate return from a balance of trade, must, in the course of time, produce very injurious effects to their prosperity.

252. You stated that the subsidy was heavy with regard to Cochin; do you consider it heavy with regard to Travancore?—Not in so great a degree as at Cochin, where it amounted to half of the revenue of the country. It was not much greater at Travancore than was necessary to provide a sufficient subsidiary force in defence of the country.

253. In Travancore and Cochin the only use of a subsidiary force is to protect it from external enemies?—Since the conquest of Mysore there is no external danger, excepting

excepting from invasion by sea; the presence of the subsidiary force prevented internal commotions. The country had been long subject to insurrections, which were the only remedy the people had against the cruel oppressions and exactions to which they were exposed. Frequent insurrections occurred before the British force was stationed there.

254. Do you understand that insurrections now occur?—I have been informed that discontent prevails; but insurrection is less likely to occur, because the government is supported by the British power.

255. Hence, you suppose, originates the necessity of Government interfering decisively, if it interfere at all?—Certainly; insurrection, which was the only remedy of the people, is now hopeless.

256. When these insurrections took place, having for their object to effect some mitigation in the collection of the revenue, did they ever succeed in their object?—Their success was generally limited to the removal of some very unpopular minister, and the abolition of any obnoxious regulation of the government, after which the march of affairs fell back into its ordinary course.

257. As a mean it was very ineffectual?—Yes, the government resumed their usual system of administration.

258. Do you believe these two countries were in a better or a worse state than the other countries of India; how would you say they stood relatively?—They were in a very miserable state.

259. Rather more so than the other parts of India?—I think they were, from the peculiar oppressive character of the government.

260. What are the peculiar features of the state of Nairs?—Their usages are very remarkable. They are Hindoos; marriage is not known among them; property is inherited through the females entirely.

261. Is it equally divided?—It is equally divided among the sons. There is great corruption and relaxation of morals.

262. That is peculiar to the Nairs?—Yes, on the coast of Malabar.

263. There is promiscuous intercourse, and not marriage?—Not promiscuous intercourse; temporary connections are formed and dissolved at the pleasure of the parties.

264. The property goes through females?—Yes. The same rule applies to the government. The rajah's son does not inherit, but the eldest son of the females of the rajah's house.

265. Who would actually succeed him?—The eldest son of any of the females of the rajah's house. The Nairs are a brave and turbulent race of men, degraded, however, especially in Travancore, by great vices. Their character stands higher in the Company's territory in the north of Malabar,

266. Were there many British residents, and in what way were they occupied in Travancore and Cochin?—Some were employed in shipbuilding from the teak wood, and others in private trade.

267. And some were resident up the country in the interior?—Yes, they were.

268. And then you found that they did not ill-treat the natives?—Their conduct was always satisfactory; and they were found extremely useful in introducing the circulation of money in the country, and giving employment to the people.

269. You think it is so much for their interest to treat the natives well, that they do so?—It is so much their interest to acquire the respect and confidence of the natives, that their conduct is generally kind and conciliatory.

270. There is no foreign settlement?—Cochin had been a Dutch settlement, and Anjengo was a British settlement; the latter was under the resident.

271. Has the country improved during your residence; has the agricultural produce and the revenue also improved?—I have mentioned the increase of revenue: the commerce and agriculture of the country were greatly improved.

272. Did the revenue increase, notwithstanding the abolition of the monopolies?—Yes, it did.

273. Did the price of agricultural produce fall?—The free exportation of agricultural produce was allowed, and its price was not found to fall; it was prohibited under the old system, but under the new arrangements the freest exportation of all the productions of the country was permitted and encouraged.

274. Is it necessary to employ troops in the collection of the revenue?—Not while I was in charge of the administration.

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Richard Jenkins, Esq., a Member of the Committee, Examined.

275. WHAT situation did you fill in India?—I was originally a Writer in the Bombay establishment; I went to the College at Calcutta in 1801, from that I was appointed, in 1804, as an assistant to the resident in Scindia's camp. On the death of the resident taking place, I acted for a year in that situation; and for the remaining nearly 20 years of my services in India I was political resident at Naghpore.

276. What opinion have you formed upon the general nature and character of our subsidiary treaties in India, and of their effect upon the good government of the respective territories to which they relate?—The question regarding our subsidiary alliances seems to require a short reference to the still more general one, viz. are we to maintain our ascendency as the paramount power in India; and if so, is it to be maintained through the means of subsidiary alliance, or through what other system.

The rise and progress of our power in India have been rapid and marvellous. Unlike other empires ours has been in a great degree forced upon us, built up at almost every step against our own deliberate resolution to avoid it, in the face, I may say, of every opposition which could be given to it by the Legislature, by His Majesty's Government, by the Court of Directors acting upon corresponding dispositions in our governments abroad. Each successive Governor-general for the last half century, sent from this country, with minds fresh and untouched by local prejudices, including Lord Cornwallis during his first administration, who went to India under the Act containing the well known denunciation against conquest and extension of dominion; Lord Wellesley, Lord Minto, Lord Hastings, (the two last strongly impressed against the existing foreign policy in India) and Lord Amherst, have seen reason to enter into wars and negotiations, defensive in their objects, but generally terminating in that very extension of territory and dominion which was dreaded.

What are we to infer from this, but that our position in India has always been such, that our existence has depended on the very steps proscribed by the Legislature, and which would surely have been most religiously avoided by those noblemen, had not the public safety demanded a contrary course; that at no one time for the last 50 years have our ablest and most enlightened politicians been able to find a resting-place where we might repose in security amidst the wreck of surrounding states, and that we are now perhaps in the same uncertain predicament, though all but masters of the whole of India.

With regard to the system on which this ascendency, if necessary to our existence in India, is to be maintained, I have to observe, that a very great proportion of our power has arisen out of the subsidiary policy. It is indeed the main source of our ascendancy, both military and political; it has grown with our growth, and strengthened with our strength. It is interwoven with our very existence, and therefore the question of abandoning, or materially departing from it, seems to me to be quite irrational, unless we are at the same time prepared to abandon India.

We first appeared in India as traders, but it was as armed traders, and our various contests with our European rivals, the prospect of which rendered a warlike garb necessary to support our peaceful objects, were the origin of our military reputation in that region. Courted even by the Great Mogul, and by the Sophi of Persia, as useful instruments to free their coasts from pirates, we acquired, as the price of our aid, many of those commercial advantages which fixed us on the continent of India. Then again the breaking up of the Mogul empire led to arming our factories, to protect our lives and properties. The same skill and gallantry which had at first won our way to commercial settlements, displayed anew, induced the native powers newly arising out of the wrecks of the empire, to court our aid in their contests with one another; and the views of securing and improving our commercial establishments, through the favour of those powers, forbad our refusing to intermeddle with their politics. Here the first step was the decisive one; once committed we could not recede.

The French in the meantime had made still bolder advances to empire in India, and our destruction or their expulsion became the alternatives. Could we hesitate which to choose? We now began to raise armies. These were to be paid; and could only be paid by the princes whose cause we espoused against the French and their

their allies: pecuniary payments often failing, territorial assignments took their place, and we were obliged to exercise a civil as well as military power. Our whole dominion on the coast of Coromandel arose in this way, and much of that on the Western coast; and through it, and the armies it enabled us to maintain, the power of Hyder was checked, and that of his son Tippoo was annihilated: the French power and influence in the Deccan was destroyed, and the Mahratta empire brought under subjection. In Bengal, through the acquisition of the Dewannee, gave us the great nucleus of our power in that quarter; still it was extended and secured through the same system of subsidiary alliances applied to Oude; and in fact, if we examine the composition of our territorial acquisitions, we shall find that a very considerable portion of them has accrued to us in payment by the native states of specified numbers of our troops, amounting in revenue to the whole military expenses of Bengal, as the following rough Statement will show. The civil charges being deducted, the balance is given as applicable to military purposes.

1827–28.	REVENUES.	CIVIL CHARGES.	BALANCE.
	£.	£.	£.
Carnatic, in lieu of Subsidy - -	1,404,343	493,279	911,064
Tanjore - - -	394,672	186,638	208,034
Nizam - - -	584,369	132,911	451,458
Peishwa - - -	estimated at -	- - - -	430,000
Travancore Subsidy -	- - - -	- - - -	89,498
Cochin ditto - -	- - - -	- - - -	22,857
Mysore ditto - -	- - - -	- - - -	280,000
Guickowar - -	382,796	147,170	235,626
Oude - - -	1,813,565	506,223	1,307,338
Benares - - -	778,533	232,359	546,174
Nagpore Cessions -	estimated at - -	- - - -	150,000
No Tribute - -	- - - -	- - -	60,000
Total Subsidies, and Cessions in lieu of ditto - - - - -	£.		4,689,049

If with these great advantages, and many others, we also experience some inconveniences from our subsidiary alliances, we must not complain; but I really see none of the latter to ourselves at all to be put in competition with the former. I do not believe that we have ever been engaged in a war in defence of our allies, which did not call upon us to interfere in their favour whether they were our allies or not. Whilst having the right to guide their political conduct in the minutest points, we are secure from any involvement in hostilities of an offensive nature through their ambition or want of faith, many other advantages of our alliances will be obvious on consideration of the general position of the several states and our own. Our subjects, I presume, derive benefit from any political situation which strengthens our power, and relieves them from the dangers of invasion; and by preserving peace and order amongst our neighbours, takes from before their eyes the temptation to a life of plunder and irregularity; settles their minds to a determined adherence to peaceable avocations, and opens sources of foreign trade to their industry and enterprize; and such is the result of the subsidiary system.

With regard to the effect of our alliances upon the native princes themselves, and their subjects, I would premise, that our alliances are such as were concluded with states that were at the time upon some footing of equality with ourselves, though led by some external danger to submit to certain terms implying a diminution of sovereignty, as the Nizam, the Peishwa and the Guickowar, or such as exist with states owing their very existence to our creation or forbearance, or those with inferior states whose internal independence in civil affairs we acknowledge, with certain exceptions inseparable from their subordination to us in military matters and in circumstances affecting the public tranquillity.

With respect to the first class, they have all obtained the benefit they sought, of security from external danger, by which they were left at liberty, if so inclined, to cultivate the arts of peace. The natural effect, however, of such a connection is to lessen the energy and self-dependence of the native state, and to induce it to neglect

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its natural resources, or only to cultivate them to the degree necessary to swell their personal treasures, with a view to contingencies, either of hostile attempts on their own part or on ours; and the result, speaking broadly, has been a gradual falling of the power of the state into our hands, (even where, by treaty, all interference in internal affairs has been prohibited,) whether from the weakness or the evil disposition of our ally, giving rise to dangers and disorders that would otherwise have dissolved the alliance, and caused the destruction of the state by a contest with us, or its own dissolution from internal or external force. These consequences, too, have occurred, in spite of our efforts to prevent them, at Hyderabad, whilst at Poonah the success of such efforts has not prevented the forcible disruption of the alliance. With the affairs of the Guickowar we have been involved *ab initio* in a direct interference; and the necessity of reverting to it, after a trial of our opposite system, is the best proof of the evils of the latter, if not of the benefits of the former, only adopted from absolute necessity in the first instance.

With regard to their subjects, our support has given cover to oppressions and extortions, which probably, under other circumstances, would have driven them to rebellion; and such evils have only been remedied where we have been forced to a direct interference for the special purpose of remedying them.

The freedom from external invasion, unless accompanied with such interference, I should fear would hardly be a boon to the inhabitants; for with all the horrors of such invasions, especially by the Pindarries, they were usually well prepared to mitigate their effects in part, and in part to turn them to their own account in evading the exaction of their princes.

With regard to the second class of states, as Holkar, Mysore, Saltarah, Oude and Nagpore, (not to speak of the states of Travancore and Cochin,) we have a formal right of interference with all but that of Holkar; and although with regard to him there may exist some grounds of exception to the conclusion, it appears to me that in all the considerations of the interests (I mean the real welfare, apart from the pride of independence) of the governments and their subjects, the benefits of direct interference and control will be found to predominate. In such cases, if we have the court, the highest classes civil and military, viz. the official classes, the great landowners, and a few leading bankers against us, we have the middle and lower orders, monied, mercantile, manufacturing, agricultural, and even military for us.

The last class, as the states in Central India and Rajpootana, have undoubtedly received benefits from the connection with us, in being saved from destruction, or at least a constant state of depression and misery, under Mahratta, Pathan and Pindarrie domination, beyond that of any other state or people, and the increased cultivation and prosperity of those regions is a proof of it; still there are difficulties and hazards attending these connections which I am not prepared to go into.

If there be any class of states which may be supposed to embrace our protection with a certainty of its unmixed advantage both to them and ourselves, such states are the latter. The less we interfere with their internal concerns, I should say the less likely it would be that causes of discontent would arise; and free as they are, or ought to be, from the jealousy of our domination, having been always dependent on one power or other, generally on all who are stronger than themselves, yet the high military spirit of the tribes of which they are composed will hardly submit for a length of time even to the just restraint imposed by us on their hostilities with each other or their domestic feuds. Still we may hope to keep them attached to ourselves in a greater degree than any other class of our allies.

Of the latter I fear we can never be sure, through any course of policy, however liberal, but by the means of our actual military strength; and although it is, of course, just to do our utmost to keep them in their actual condition, as settled by trustees, and perhaps politic with a view to the alternative of bringing their dominions under our direct rule, and to other considerations of keeping up the respectable classes of natives as long as our institutions are at variance with that object, I am rather of opinion that, in all points of view, such an alternative is not the worst, if we regard our own interest, those of our own subjects or those of foreign states, whether governors or governed. Act as we will we cannot divest ourselves of the high station we are placed in without the danger and almost certainty of a complete fall; nor, were we philanthropic enough to view such an event with indifference, if conducive to the real good of India, can we anticipate any such consequence. On the other hand, the ebbs and flows of our policy, sometimes interfering for the people, sometimes withdrawing our protecting arm, are a positive evil both to the native princes and to their subjects, and injurious to our reputation for consistency and good faith,

encouraging

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encouraging to our enemies, and mortifying to or even worse, disgusting to our friends. I am of opinion, then, that we ought not to recede from any step we have gained, but to improve every occasion legitimately presented, to compensate the inhabitants of India for the unavoidable evils of foreign domination, by securing to them the benefit at least of more enlightened, just and humane principles of government.

Placed in the midst of nations foreign to us, and inimical not only to us, but to every other people, by the extraordinary and exclusive nature of their religion, manners, customs and habits, not to mention language, which hardly alludes to foreigners but in terms of contempt, and not taking into account those sources of hatred and jealousy common to all nations under a foreign yoke, and particularly to those native states who have fallen from a high estate to one of humiliating dependence, it is expecting I may almost say impossibilities, to look to any means of maintaining our footing in India, but by the cultivation and improvement of our intrinsic strength, to exclusion of all reliance on our foreign relations for anything but a gradual preparation for the entire conquest of the Continent.

Jovis, 12° *die Aprilis*, 1832.

SIR CHARLES WATKIN WILLIAMS WYNNE, BART., IN THE CHAIR.

Major-General Sir *John Malcolm*, G. C. B., called in; and Examined.

Major-Gen. Sir *John Malcolm*, G. C. B.
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277. WILL you state your opinion with regard to the effect of the subsidiary treaties?—I am aware that a very different opinion will be formed, connected with the policy and result of our subsidiary treaties, between peesons who have judged them at a distance, and from records, however full, and those who have personally had an opportunity not only of being instrumental in their negotiation, but have seen them in all their results: the latter is my case. I consider, that from our condition in India, we have had in the Political Branch always an option of difficulties, and that our subsidiary alliances have been formed either for the purpose of defending ourselves through them against our enemies, or subsequently for maintaining that general tranquillity which we pledged ourselves to protect at their original formation. In the war in which we became engaged with Tippoo Sultan, we were obliged to form subsidiary alliances with the Nizam and the Peishwa, and without these alliances, we could not have protected our own dominions in the south of India from the invasion of that prince, much less have subdued so irreconcileable an enemy to the British Government. After we had taken this first step, the fulfilment of our engagements with good faith towards the Nizam, led to the subsidiary alliance with him being maintained and extended, for the purpose of protecting him against a combination of the Mahrattas. That combination assuming a hostile aspect towards our government, obliged the Governor-General of India, of the period I am speaking of, 1802, to adopt the best measures he could for enabling the British Government to resist the attacks with which it and its allies were threatened, from the policy and conduct of the Mahratta princes, Dowlut Row Sindia, Ragojee Bhonsela, and Jeswunt Row Holkar—rulers who continued to be influenced by the principles of predatory warfare, which are inherent in the constitution of Mahratta states. The Peishwa Bajerow, who had long been solicited to enter into a subsidiary alliance, in order to protect himself, as well as us and our allies, against the chiefs of his own nation, was withheld by jealousy of the British power from contracting such an engagement, until an actual attack upon his capital forced him to fly to its territories for protection, and led to the treaty of Bassein. That treaty no doubt might have precipitated the hostilities that took place afterwards with the Mahratta chiefs in 1803; but I am quite confident, that war could not have been ultimately avoided, and that the continual preparation which we had been for several years obliged to make, in order to save us from attack, could have been ruinous to the finances of government. The result of our subsidiary alliance with the Peishwa, gave our troops military positions, before the war of 1803 commenced, within his territories, that insured a success which established for a period the

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the peace of India; and had our subsidiary system been then extended, we should have, I believe, avoided those subsequent horrors to the inhabitants of a greater part of India, and our subsequent expensive measures of defence, as well as the war of 1817 and 1818. These events, in my opinion, resulted from an attempt to adopt an impracticable system of neutral policy, which allowed the great herds of freebooters to become formidable, and to plunder and despoil some of the finest provinces of India, for a period of more than 10 years. About the same period, or rather before the treaty with Badjerow, a subsidiary treaty had been entered into with the Guicowar State of Guzerat, in order through that alliance to protect the possessions and maintain the tranquillity of that province. We had before made a treaty with the Nabob of Surat, and by the treaty of Bassein, some of the richest provinces of that country were ceded to the government by the Peishwa, in payment for the troops which it furnished; and by the result of the war of 1803, the rich district of Brooch was ceded to the Company by Dowlut Row Sindia, to form and maintain its alliance with the Guicowar, which was matured gradually, and without war or internal commotions of any consequence. The English Government found itself compelled, before it could effect the dismissal of large bodies of subsidiary Arab troops, which had long had a predominating influence at the court of Baroda, to gain to its support the numerous and influential creditors of the state, who held the security of the Arab commanders for loans advanced to the prince, and to give to those creditors what are termed boundary or guarantee engagements for the adjustment of the claims upon the native state. This arrangement, which gave to the government the great advantages of settling without war the countries of Guzerat, has been since the fruitful source of that embarrassment which has attended the course of this subsidiary alliance, and of which I shall speak hereafter.

With respect to the state of Lucknow, subsidiary alliances, which commenced nearly 70 years ago, have undergone great vicissitudes. The working of these the Committee will no doubt receive from persons that possess more minute information than I do upon the subject. After the death of Tippoo Sultan, the heir of the ancient Hindoo Rajah of Mysore was restored to that country, and a subsidiary alliance formed for his protection, it being of course indispensable to protect a prince whom we had taken from a prison and placed upon a throne. There was also a subsidiary alliance with the petty state of Travancore. This is, I believe, a short account of the principal subsidiary alliances into which we entered before 1803. Subsequently to that date, we entered into a subsidiary alliance with the court of Nagpore, and in 1818 with that of Mulhar Row Holkar, both the latter states having been, from the events of the wars of 1803 and 1817–18, reduced to a condition in which they could not have supported themselves without our protection. We could not have abandoned the Nagpore state without resigning it to the enemies of the British, and I may say of all civilized governments, the Pindarees, as well as to the probable hostility of the Mahratta chiefs, Jeswunt Row Holkar and Dowlut Row Sindia. The young prince Mulhar Row Holkar, after the battle of Mehidpore, was in fact, though not in form, placed by us upon the throne, and the whole of his territories were in that condition, that it was quite impossible they could have been consolidated into a substantive power in Central India by any other means than through the arms as well as the influence of the British Government.

Having thus stated my opinion of the necessity by which we have been impelled to contract these alliances, I shall say a few words upon their general results. These have been very different in different situations, and have been very dependant upon the characters of the princes, their ministers, and I may add, of the British representatives employed at their courts. Several of those states had their countries relieved by these alliances from great and increasing evils. The territories of Mulhar Row Holkar, for instance, was one scene of desolation, and have recovered to one of prosperity with a rapidity that is quite surprising. Mysore for a long period of years improved under our protection, in all branches of its government, as well as in its resources; cultivation was increased, roads of an excellent description made throughout the whole country, and wheel-carriages, which had hardly ever been known, introduced to a very great extent, while the people appeared and were contented and happy. One of the most evil consequences which has attended our alliance in other parts was here in a great degree avoided; I mean the destruction of the chiefs and the aristocracy of the country, by our abstaining from any very minute interference, and by the prince maintaining, according to the stipulations

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stipulations of the treaty, a body of 4,000 irregular horse, under the same chiefs and officers, or their sons, who had distinguished themselves in the war of Hyder Ally and Tippoo against the British Government, and who have evinced for 30 years as much zeal, fidelity and courage in contributing to the success of every subsequent war in which they have served in association with our troops.

To give the Committee an impression of the character of the commanders of this force, and of those men of whom it is composed, I can almost positively affirm, that during various wars, particularly the campaigns of 1803–4, and of 1817–18, through the whole of which they were in the field, and marched to the distant countries of Malwa and Rajpootana, that there is no instance of the slightest misconduct on the part of any of their high and respectable officers, or any instance that I know, and I was with them on both of these campaigns, of the desertion of one man from this excellent and most useful body of troops. The prosperity of Mysore in its internal administration, was no doubt in a great degree to be attributed to the prince being a minor when the state was established, and to the personal character of Purnea, who was deman or minister, an office he held with Tippoo Sultan, and to the experienced and able men who having held office for a long period in that country were maintained in different high stations. Since the prince has come of age, I regret to learn that his habits of extravagance and his addiction to vicious courses have combined to give to his government a character of oppression and injustice, and to raise a feeling of opposition in some part of his subjects, which has led to the direct interference of the British Government with his administration. I am not acquainted with the particulars of these transactions, and can therefore only state my hope that they will not lead to the annihilation of this power, being fully satisfied that, upon the whole, the inhabitants of that country, and particularly those of the higher classes, have enjoyed a happiness and consideration superior to what I think our system of rule, and its character as that of foreigners, could have enabled us to bestow upon them. With respect to the Nizam, with which country I have been acquainted for 40 years, it was, when our first subsidiary alliance was formed, in a very distracted state, and continually subject to internal revolts of dependant chiefs, and to a dread of annual visitations from the neighbouring Mahrattas. It is difficult to calculate between the increasing evils which such a condition must have brought upon this state, and those which have undoubtedly been the consequence of our subsidiary alliance. There is no doubt that in this country our influence and support has paralysed the power of the prince, and given the sanction of our name, if not our authority, to the acts of oppressive ministers; and that much of what we have done and left undone appears to have had the same effect of deteriorating the happiness of the people, and the respectability and condition of some of its principal nobles. Many causes have led to this result, on which I shall not now expatiate; one very prominent has been the occurrence of wars, which forced us on measures that, though they might have promoted the success of our military operations, have injured the internal prosperity of the country. But nothing can be less calculated to enable us to form a true judgment upon such a subject than to dwell upon the evils which our system has created in a native state, without adverting to those from which it has been rescued, or looking prospectively to those in which it might be involved by our withdrawing from the connection, or substituting our own rule. The decision upon such points can never be made upon any general principles; they are, from the character of our power in India, and our not being a national government, practical questions, and must be decided in each case with reference to persons and localities, of which it is impossible to judge, except at the moment of their occurrence. This observation refers to our other subsidiary alliances, as well as those of the Nizam. My own opinion is, that the native state is only to be preserved, when connected with us by intimate ties, by suiting our conduct to its actual condition, and by attention to a general principle which equally avoids that fretting, constant interference that degrades men as instruments of rule, and ultimately destroys the government, through the means of British agency, and that abstinence from interference which inevitably leaves such states to destroy themselves. But considering, as I do, from all my experience, that it is our policy to maintain as long as we possibly can all native states now existing, and through them and by other means to support and maintain native chiefs and an aristocracy throughout the empire of India, I do think that every means should be used to avert what I should consider as one of the greatest calamities, in a political point of view, that could arise to our empire, the whole of India becoming subject to our direct rule.

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It is my opinion that no native state can exist if we exact a strict observance of the terms (in a literal sense) of the various alliances we make. It belongs to good faith to interpret our treaties with consideration to the sense in which they are understood by those with whom they were contracted, and with every indulgence to their lax habits in such points; we can, I think, have no right, except under the most positive and clear breach of treaty on their part, to go in any shape beyond the spirit of our engagements, except on occasions where the public peace of the country under our general protection is threatened in a degree that calls for a change of rule as a matter of positive necessity, in order to preserve the tranquillity of our own territories and those of others. I mean, however, to exclude from this admission that right which has been often assumed with respect to our view of the comparative benefit that the inhabitants would enjoy under our rule, from that which they enjoy under that of their native princes. I am not, from my experience, prepared to admit this result is a general position to be founded upon truth. I particularly allude to the condition of those superior grades of society, without which I consider no community can long exist; and, in a political view, I certainly must apprehend much danger from the extinction of the higher classes. My reasons for this opinion are fully stated in my letter to the Secretary of the India Board (which is before the Committee) of the 26th March 1832. I have also stated in that letter that the native states, who still remain subject to our general influence and authority, but who exercise their internal administration in an independent manner, absorb many elements of sedition and rebellion which, in my opinion, must come into action if their power was extinct, and more certainly, as I should expect that an apparent state of peace might lead, from financial considerations, to the further decrease of our military force, on the very general but very false supposition often made, that because tranquillity is established in a particular quarter, troops are not required; when the fact is, that the tranquillity is referable to the establishment and continuance of that force, and its removal produces the evil which it was calculated to prevent. I have frequently heard it stated that it is consistent with the principles of good policy to increase the territories under our direct rule, and that upon the assumption that we can govern them better than their actual rulers. Some, indeed, assert that it is a moral duty to do so. While I deny the first position, I cannot understand that to argue for our rights to enlarge our Indian territories, on the latter ground, is in any degree different from a doctrine which would justify unlimited usurpation and conquest, on the vague speculation of improving the condition of a native state, by a process that commenced in destroying its established institutions and government.

278. In your opinion, was the substitution of our government for the misrule of the native princes, the cause of greater prosperity to the agricultural and commercial part of the population?—I cannot answer this in every province of India, but I shall as far as my experience enables me. I do not think the change has benefited, or could benefit either the commercial, the monied, or the agricultural interests of many of the native states, though it may of others. It has not happened to me ever to see countries better cultivated and so abounding in all produce of the soil as well as commercial wealth, than the southern Mahratta districts, when I accompanied the present Duke of Wellington to that country in the year 1803; I particularly here allude to those large tracts near the borders of the Kishna. Poonah, the capital of the Peishwa, was a very wealthy and thriving commercial town, and there was as much cultivation in the Deccan as it was possible so arid and unfruitful a country could admit. But there is no doubt that during the few last years of Badjerow's reign, he fell under the influence of low and wicked counsellors, and the inhabitants of all classes suffered oppression and injustice. This, however, was a temporary evil, and his conduct was in contrast to those of almost all his Hindu predecessors.

With respect to Malwa, I saw it in a state of ruin, caused by the occupancy for a period of more than half a century of that fine country by the Mahratta armies, the Pindarries, and, indeed, the assembled predatory hordes of almost all India; yet, even at that period, as I have stated in my work on Central India, I was perfectly surprised at the difference that exists between a distant view of such countries and a nearer examination of their actual condition. I had ample means afforded to me, as the person appointed to occupy that territory and to conduct its civil, military and political administration, to learn all that the records of government could teach, and to obtain from other sources full information of this country; and I certainly entered upon my duties with the complete conviction that

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commerce would be unknown, and that credit could not exist in a province which had long possessed, from its position, the transit trade between the rich provinces of Western India and the whole of the north-west provinces of Hindostan, as well as the more eastern ones of Sagur and Bundelcund. I found to my surprise, that in correspondence with the first commercial and monied men of Rajpootana, Bundelcund and Hindostan, as well as with those of Guzerat, dealings in money to a large amount had continually taken place at Oujein and other cities, where soucars or bankers of character and credit were in a flourishing state, and that goods to a great amount had not only continually passed through the province, but that the insurance offices which exist throughout all that part of India, and include the principal monied men, had never stopped their operations though premium rose at a period of danger to a high amount. The native governments of Malwa, when tranquillity was established through our arms, wanted nothing but that which the attachment of the natives of India to their native soil soon supplied them with, a return of the inhabitants. And I do not believe that in that country the introduction of our direct rule could have contributed more, nor indeed so much, to the prosperity of the commercial and agricultural interests, as the re-establishment of the efficient rule of its former princes and chiefs, who, though protected from attack, are quite free in their internal administration from our interference.

With respect to the southern Mahratta districts, of whose prosperity I have before spoken, if I refer, as I must, to their condition before the few last years of Bajerow's misrule, I do not think that either their commercial or agricultural interests are likely to be improved under our rule, except in that greatest of blessings, exemption from war, which while under our protection they equally enjoy, and I must unhesitatingly state, that the provinces belonging to the family of Putwarden and some other chiefs on the banks of the Kishna, present a greater agricultural and commercial prosperity than almost any I know in India. I refer this to the system of administration, which, though there may be at periods exactions, is on the whole mild and paternal; to few changes; to the complete knowledge and almost devotion of the Hindoos to all agricultural pursuits; to their better understanding, or at least better practice, than us in many parts of the administration, particularly in raising towns and villages to prosperity; from the encouragement given to monied men, and to the introduction of capital; and above all, to the jagheerdars residing on their estates, and these provinces being administered by men of rank who live and die on the soil, and are usually succeeded in office by their sons or near relatives. If these men exact money at times in an arbitrary manner, all their expenditure as well as all they receive is limited to their own provinces: but above all causes which promote prosperity, is the invariable support given to the village and other native institutions, and to the employment, far beyond what our system admits, of all classes of the population.

In Guzerat, which I never visited before 1830, I learnt from the records of government, and much from the reports of those officers who had known it before, and who accompanied me, that the districts of this favoured province which have been ceded to us were to the full in as good an agricultural and commercial state as they are at this moment when that cession was made; but it is necessary to state that this province possesses so many advantages, and has been so completely exempt from wars and other calamities, that it has been subject to few of those violent changes which have visited other parts of India.

With respect to the provinces now in possession of the Guicowar, I travelled through most of them; they are very much intermixed with our own, and I cannot say that I observed in those I travelled through, any difference in their commercial or agricultural state. Indeed, there is one efficient check upon misrule; the ryots, if oppressed, would migrate into our provinces, where many have relatives residing and often possess lands.

The capital of Baroda itself has become, from various causes, and in some degree no doubt from the protection which our guarantee arrangements afforded to the monied men who were the creditors of the prince, one of the richest cities in point of commercial and monied capital that I know of its extent in India. The former capital of Guzerat, Ahmedabad, from its having been subject to a distant government, and latterly much oppressed by Trimbuehjee, the profligate minister of Bajerow, was in a deteriorated state when we received it, but I am glad to say that it is now recovering very rapidly, and promises to be more prosperous, both in its commercial and agricultural population, than it was before. The rich district of Barooch was in the highest state of agricultural and commercial

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prosperity when delivered over to us by the agents of Dowlut Row Sindia. It has, I regret to state, subsequently declined, owing to indifferent management, which was corrected by my predecessor, Mr. Elphinstone, and by most positive orders from England. It is now reviving fast to the consequence it has long had as a commercial and agricultural province.

With the districts of Oude I am not sufficiently acquainted to be able to give any opinion. The Ceded Districts from Hydrabad had been, before we obtained possession of them, a constant scene of petty warfare, owing to the distance from the capital, and being in possession of chiefs, with troops and forts, which the native government had neither means nor energy to reduce. The appointment of that most able and superior man, Sir Thomas Munro, to the management of these provinces has given them every advantage; but it is here to be remarked, that the means he suggested to restore them to prosperity could not be put in action till a strong military force had reduced the various usurpers and plunderers with which the country was then infested. These provinces have, from the causes stated, increased in commercial and agricultural prosperity since they came into our possession.

With respect to the territories of Mysore which, consequent on the death of Tippoo Sultan, came into our possession, I can only state, that from my own observations during two wars, those of 1792 and 1799, in which I was with the armies that entered that country, that however tyrannical the government of Tippoo had been in other respects, neither he nor his ministers could be complained of, as far as the general face of the country enabled us to judge of its cultivation, and the state of its general internal commerce. I think it however likely, without being aware of facts, that the Baramahal, Malabar, Coimbatore and Salem, and Canara, and other countries we came into possession of on the fall of Seringapatam, are in a fully equal if not a superior condition, under our government, to what they were under that of Tippoo: I refer here to their commercial and agricultural state.

With respect to the territories of the Peishwa, the provinces of the Deccan have lost sources of wealth by the introduction of our power, which it is almost impossible for any good government on our part to restore. From the healthiness of this climate, and its favourable soil for the breed and food of horses, it always maintained and supplied a large proportion of the Mahratta army; and it was, from that and other causes, a country in which there was great expenditure, into which many luxuries were imported. The Deccan was also the native place of almost all the principal soldiers and princes of the Mahratta army; and from the residence of a court at Poonah, and government of the provinces by the principal chiefs of the country, wealth was distributed among all the higher and many of the industrious classes, while the attachment of the Mahratta to the place of his birth, at whatever distance he might be employed, or however long his absence, sent always a share of that booty he gained, or that wealth he acquired, to promote the cultivation, or to add to the beauty of his native town or village. Under these circumstances, the deteriorated state of this country since it fell into our power is to be ascribed to causes which we cannot control; but every effort has been made to improve it, and the proportion of this country still left to native chiefs, and the peculiar indulgences and privileges granted to these during the administration of Mr. Elphinstone, have tended in some degree to counteract the depressive effects of our rule; and I state this particularly, because I am of opinion, that cherishing such persons and maintaining them in their present condition, and using them as instruments of improvement, is essential to the promotion of the agricultural and the commercial interests of that part of the territories. But I should here mention, that every effort has been made to introduce capital, and some new sources of industry have been created, and particularly the establishment of the cultivation of silk, which promises to be a source of future commercial wealth; but its introduction is yet too young to speak on this subject with any confidence.

The Concans, which were also ceded from the Peishwa, and are the districts which intervene between the mountains called the Ghalet, which form the table land of the Deccan, and the sea, were in excellent condition when delivered to the English, particularly the southern Concan, which was a favoured province, from being the birth-place of the reigning family of the Peishwas, and many of the Brahmins employed by him. Circumstances arose to obstruct in some degree the prosperity of these provinces; but I am happy to state they are now fast improving, though I do not think they are yet in a better state than they were when we received them.

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279. Are you of opinion that the admission of natives into a larger share of government, and perhaps the extension of such distinctions as the privileged classes of the Deccan enjoy, would tend to satisfy the wants and wishes of aspiring natives? —I am of opinion that no measures are so essential to the good government and preservation of our native empire as the advancement of the natives to a share in the administration: that has always been my opinion, and I have had a full opportunity, during the few years I was Governor of Bombay, of proving in practice the truth of the opinions I long entertained upon this subject. I had always considered, that to expect we could, through schools and colleges, do more than give the mere elements by which men would be enabled to fulfil, according to their acquirements, better or worse, the stations to which they might be named, was impossible; and it was only by introducing them into situations of responsibility and trust, and giving them our confidence, that we could expect to elevate their minds in a degree that would render them efficient aids to our government, and their becoming so is, I consider, alike as essential in a financial and a political point of view. I was also satisfied that such encouragement was necessary to ensure the attachment of this class of the natives. My predecessor at Bombay, Mr. Elphinstone, entertained the same sentiments, and he had, both in the fiscal and judicial branches, given the natives employments, salaries and powers, exceeding, I believe, what they then enjoyed in any other part of India. While I presided over the government of that settlement, these powers were so greatly extended, that at present every civil suit is tried in the first instance by a native ameen or judge, with appeal to an European session judge, and from him to the High Court of Sudder Adawlut. Some of those native judges, who are termed sudder ameens or principal judges of large cities, and the able native who is sudder ameen at Poonah, received, from pay and fees which were attached to his office, a sum, I believe, of not less than 800 rupees a month, which to a native is a very large amount. The other ameens or native judges of provinces received from 200 to 400, as far as I can recollect; but I will give the Committee as correct information as I can obtain upon this subject, my doubt being at present whether the fees they formerly had have not been commuted, as recommended, for fixed salaries.

In the fiscal branch, natives have also been employed with increased powers and liberal salaries, varying from 30 to 600 rupees per month. Referring to those public native servants and others, I deem it necessary here to state a regulation of particular importance. By the rules which I found established by my predecessor, no native in the public service, enjoying a salary of 30 rupees per month or higher, can be dismissed from his office without the sanction of government. In the measures I adopted to combine education with the promotion of the employment of natives, a regulation was made by which all offices were divided into four classes; the first and second class being of those above the salary I have mentioned, while the third, termed pupils, were below it, and also the fourth, who are called boys. The latter were directed to be chosen from the best scholars of the principal provincial and other schools; these can be dismissed within two years by the person at the head of the office into which they are introduced, while pupils can be dismissed by the head of the department to which they belonged; the two higher classes only, as before stated, by government. It is fixed, that though they were not to rise by seniority in the office, that no person could be promoted to a superior grade who had not passed the inferior; and by these means the great advantage was gained of encouraging natives of rank and influence to make their sons efficient and acquainted with their duty before they had charge. This rule limited patronage, but gave great encouragement to education, and promoted the efficiency of the service.

The privileged classes of the Deccan were established by Mr. Elphinstone, on the representation, I believe, in the first instance, of some of the principal Mahratta chiefs, who assumed the implied obligation from the proclamation issued by Mr. Elphinstone, in 1818, to protect them and the nobles of that country. This protection was desired against the processes of the adawlut courts and other English courts of justice, of whose forms as well as rules they stand, from the condition of the community and their habits, in peculiar dread. Mr. Elphinstone, with a view to meet what he deemed the just expectations of these chiefs, and to reconcile them to the British rule, formed the privileged classes: the first of those classes included the highest chiefs, with whom we had entered into engagements, who had considerable territories, and in the internal administration of which they were continued independent. They were wholly exempt from all processes of our provincial courts. The second class were jagheerdars or chiefs, not so high as the

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the former, but who possessed heritable lands, and had held high rank under former governments. These were made exempt from ordinary processes, and permitted to answer any suits against them, through a vakeel or agent. The third class are subject to jurisdiction, and obliged to attend in person, but are entitled to courtesy in a variety of forms connected with summonses, and have also individual privileges to which they attach the highest value. A civil officer of rank was appointed what was deemed sirdar agent, and through him all matters connected with the privileged classes were conducted. This public officer attended to all processes, claims and petitions from or against these chiefs, which do not fall into the ordinary courts. The duties of this agency are combined with those of the principal judge at Poonah, but he has for this part of his jurisdiction the aid of a deputy or civil officer of experience, and holds a distinct court for all cases connected with the interests and rights of the first and second class. To the third class several persons have been advanced. It includes some of the highest servants of government, who have distinguished themselves in various ways; merchants even who have rendered themselves eminent by their public works, have been promoted into it; and on a late occasion a banker was raised by me, on account of his having, in accordance with the desire of his deceased father, built a bridge over a river near Poonah; a gold medal with a bridge engraved upon it was given at the same time. The ceremony took place at a crowded durbar I held at Poonah for the purpose; nothing could exceed the gratification of the individual, and the effect produced on all present. Another inhabitant of Poonah (a parsee) has since received a similar honour in reward of the zeal and liberality with which he employed his capital in aiding a very skilful Italian in the introduction of the cultivation of the mulberry plant and the manufacturing of silk. It is impossible to describe the value that the higher ranks of natives give to this separation from the other classes, which has been made by the English Government, and its value is greatly increased to our own public servants, in the estimation of the civil and military, from its associating them with men of the highest rank. A gallant old subadar-major (the name of this old and distinguished native officer is Purseram Sing), of fifty years standing, distinguished for his bravery, when he had conferred upon him his commission for the command of a hill-fort, received personally from me at the same time a horse and sword, in the name of the government. He was also created a member of the third class of the privileged order. The ceremony of his investiture took place at Poonah. The Commander-in-Chief was present, and the troops drawn out, in honour of the native officer and several others receiving the rewards of long service and valour. The elevation of this old soldier to the privileged class, appeared to gratify him more than any other mark of distinction; "I am now," said he, "on a footing with the jagheerdars and sirdars of the Deccan." I mention this fact, as a proof of the great value natives give to such distinctions.

Martis, 17° *die Aprilis*, 1832.

SIR CHARLES WATKYN WILLIAMS WYNNE, BART., IN THE CHAIR.

Major-General Sir *John Malcolm*, G. C. B., a Member of the House, Examined.

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280. HOW far, in your opinion, has the substitution of our government for the misrule of the native princes increased the happiness of the agricultural and commercial classes?—Generally speaking, the boon of protection and peace which our government, from its strength, gives, must render it beneficial to a great proportion of the agricultural classes, and so far increase their happiness; but from this observation must be excluded the heads of those classes, such as desyes, dessmookhs, patells and other principal hereditary district and village officers.

281. What do they at all correspond to in our country?—They were hereditary district and village officers. Under the native rulers, many of this description of men had consequence, and often rose to considerable wealth and power. Under us, even when they continue to exist, they have no prospect of rise, and are reduced often to comparative poverty by the subdivision of property which takes place

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place under the Hindoo law, having to support their brothers or sons in idleness. For these, under native governments, they almost always obtain employment from individuals or government, and this enabled them to continue in management, if not enjoyment, of the small portions of land that were the property of the younger branches, and relieved the superiors who held office from the necessity of contributing further to their support. These heads of the agriculturists have had in all our provinces where they remain their condition deteriorated, and must, from their feelings and cherished recollections of the situation of their forefathers, have had their happiness decreased by the introduction of our power. Much has been recently done, but more is required to raise this class, particularly the patells or heads of villages. I consider it a political object of importance to attach the superior classes, from the head of a principality to the head of a village, to our government, and to use them as our chief instruments for the administration of our Eastern empire. We have destroyed or depressed those heads, and particularly those of the agricultural class, on the ground of their abusing their influence and power in oppressing those below them. Had we maintained them, and established a strict control over their conduct while we treated them with indulgence and consideration, we might, I think, have reformed their habits and retained the incalculable benefits of their influence over the various classes of society to which they belong. But before our information or knowledge of the various classes of our subjects was complete those entrusted with authority, shocked no doubt at the oppressions exercised by the hereditary officers, which were exaggerated by petitions and by the representations of interested natives in the employ of European public officers, hurried to the work of demolition before they had maturely considered that of reconstruction. The consequence has been constant changes of system; the frequent introduction of persons into office who are strangers to the province in which they are employed, and are often men of low birth, without local character, and having no recommendation but quickness at their business in the cutchery or native office of the collector. These command no respect from those placed under their authority. There are besides other underlings of the European collectors and magistrates, such as peons with badges, taken from the very dregs of society. These underlings, proud of their upstart power, and the badge of their European employer, are too prone to insult the higher classes of the community, and their conduct tends to alienate the attachment of them to our rule. The underlings to whom I have alluded have little alarm at detection, for they are too useful to the inferior native officers to be much restrained by them, and the enlarged duties of the European superior makes it impossible he can supervise the whole of the province entrusted to his management. These persons, it is also to be remarked, were generally men whom even detection and punishment could not place much lower in the scale of society than they were before they were employed in the public service. Much has been done of late to remedy this evil, which has in its operation tended greatly to decrease the happiness and content of the higher classes of the agricultural population of many of the provinces of India subsequent to the introduction of our rule. The principles we have adopted have, in many cases besides these stated, operated very injuriously on their actual condition and in repressing their future hopes; and regard for the happiness or welfare of this class of our subjects, as well as our political interests, alike demand that they should meet with more attention and consideration than they have been, and be used as they might be, as the most beneficial aids in the fiscal administration of their native provinces.

The mass of the cultivators enjoy tranquillity, and therefore are benefited by the change. They are very sensible to the blessings of peace, and they may be said to have had their happiness increased from that being more permanently settled by the introduction of our rule. They are a submissive and quiet race, unless in cases where their claim to lands are at issue. Their attachment and allegiance to the British government is of a very passive character, and they never can be calculated upon as aids on the occurrence of war or revolts; on the contrary, the strongest feeling they have is that of a superstitious character, and would be more likely, if excited, to be against us than for us. The commercial classes of India have been decidedly benefited by the introduction of our rule; more, however, from the tranquillity we have established than the protection we give, for, with very rare exceptions, this class of the community receive efficient protection even from the most despotic of Asiatic princes, who are restrained from oppressing them by a knowledge that they can inflict injury or injustice upon no individual of this class that does not vibrate throughout the whole, and is consequently calculated to diminish one of the greatest

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sources of wealth of their government. It is here to be observed, that the commercial class are a body of men from whom, although we may increase their happiness, we cannot expect that a sense of gratitude will ever produce results that will give us any efficient aid on the occurrence of emergencies, as they are men of such pacific habits, that they almost invariably shrink from mixing themselves in any way, even through their influence, in case of any revolt, sedition or wars. There is a considerable portion of this class, which I shall best describe by terming them the money dealers, whom I do not think have had their happiness (which is associated in their view particularly with their personal interest) advanced by the introduction of our rule. These often rented large tracts of countries, and were in all cases associated with the ryots in the cultivation of the soil under native governments. I have explained the working of this system very fully in my memoir of Central India. It was in many respects beneficial to the prosperity of the country; and they have been too generally condemned by us on grounds that I think are not well founded. These money dealers we often find on our records reprobated as usurers and extortioners, who live on the fruits of the industry of the cultivators, whom they are described as oppressing. Many public officers have taken an almost exclusive view of the evils of this system, and have not given, in my opinion, the consideration it merited to the great benefit that was derived from introducing and keeping capital in the country, the good of which the cultivators as well as the government are always certain to reap in one way or another. I have elsewhere * fully stated the checks that prevented these money dealers oppressing the ryots, much less their adoption of any measures calculated to ruin them. I have shown that their profits, which might be great for one year, were by bad seasons reduced to little or nothing the next; but under all circumstances, it became their interest to support the cultivators, for without these were contented and equal to the duties of their condition, it was quite impossible the monied men could continue to derive any profit from the connection.

A plan is now in progress for equalizing the currency in gold, silver and copper over all India, which will no doubt have many good effects; but it will injure the interests, and with that decrease the happiness of a very numerous portion of the commercial class, I mean the shroffs or money changers, whose profits, in a considerable degree, depend upon the vast variety of different coins now in circulation throughout the whole Indian empire. While I state this fact in answer to this query, I by no means intend it should be inferred that the partial injury to the interest of the shroffs merits a moment's consideration. The simplifying and equalizing the currency of India will be attended with equal benefit to government and to the community at large. In reference to this and former queres, I must here make some general observations. Our great error in India appears to me to have been a desire to establish systems founded on general principles, in all branches of our administration, that were often in advance of many of the communities for whose benefit they were intended, but by whom they were neither understood nor appreciated. In our precipitate attempts to improve the condition of the people, we have often proceeded without sufficient knowledge, and been in many cases obliged to retrace our steps with great disadvantage to our own interests, as well as disturbance to the happiness and confidence of our native subjects. The vast difference in character and condition of the inhabitants of the various provinces of our dominions has too often been overlooked by those who were eager for the introduction of favourite plans; and I have been led, by what I have seen, to apprehend as much danger from political as from religious zealots. If the latter at times create alarm to the natives from infringing their superstitious observances and religion, the former unsettle their minds by the introduction of principles and forms of administration foreign to their usage, and at variance with long established habits and prejudices. We should proceed with much caution, for the natives never appear to forget that we are strangers; and I have observed, that throughout the provinces of the interior every report, however improbable or unfounded, that gives a rumour of change, is listened to by all classes, even to the lowest, with unaccountable attention; they attend to and circulate idle and false prophecies respecting future political events, that are of the most extravagant nature. This I think shows a general impression regarding the character of our government,

* *Vide* Memoir of Central India, vol. 2, Revenue Chapter, p. 1, for a full account of the revenue system under native government.

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ment, and a disposition to believe that it will not be permanent. We are slow to credit this fact, and draw deductions of the existence of a contrary feeling from the comparison we make of the superiority of our rule over that of the natives, for which it was substituted. The sentiments we entertain on this subject are re-echoed by the natives around us, and with whom public officers in general communicate; but much experience has satisfied me that this will be found a very dangerous delusion, if it ever makes us cease to place our chief reliance on our military power, or to decrease our efforts to merit the attachment of our Indian subjects, by the strictest attention to their usages, prejudices and religions; and above all, if it encourages us to innovation, or to a premature introduction of improvement in the forms and substance of those parts of our administration which is likely to affect the happiness or interests of any part of the population.

The higher classes of natives, including all those of the military tribes, who are very numerous, although they enjoy tranquillity and protection from our system, have not the value we suppose for these blessings, particularly when they see that our rule is incompatible with their advancement, and with the attainment of those objects to which they deem themselves born, and have been accustomed from habit to look. In the actual condition of India, unless our administration is so constituted as to give to these classes consideration and employment, as far as is consistent with the nature of our government as foreigners, I must anticipate frequent revolts and seditious movements, and no person but one who has been accustomed to see these in progress can form an idea of the rapidity with which they spread. Every one of such revolts may be considered, however trifling in its origin, as a crisis; for unless immediately subdued, those impressions on which our rule so much depends, are greatly impaired, and the local peace of the quarter in which they occur seriously endangered. Add to this, that while those who desire to throw off the yoke of foreigners are bold, energetic and enterprising, those whose happiness our rule increases, and who would, from their being attached to peaceable habits, desire its continuance, are unlikely, under any changes that I can contemplate, to be imbued with that zeal and attachment to our government that will enable them to be an efficient aid in repressing those who must continue disposed to subvert it. I state these results of my experience in our relying too implicitly upon sources of believed strength, that will fail in the hour of trial.

282. What is your opinion as to the tyranny of the native princes when left to themselves, particularly with reference to the agricultural and commercial classes? —The tyranny of the native princes over the classes stated in the question, depends much upon the character and power of the princes; but in general I should state, that even with the worst of those princes, (excluding, of course, adventurers and plunderers who have temporarily assumed that rank) there is not that oppression even of the agricultural classes which would appear from a general view of the power of the one party to oppress, and the apparent inability of the other to resist. In all native governments there is, in the first place, a just estimate of the value of a good name. There is also the greatest regard for district and village institutions, and any attempt to injure the ryots seriously is sure to be attended, if upon a large scale, with open opposition; if on a lesser one, with a decrease of the revenue, through the discontent and often desertion to other states of the cultivators of the soil. The heads of villages also, when a prince or his minister are oppressive, enter into collusion with the collectors to defraud the revenue, and these again connect themselves with the principal officers at court, and sometimes with the ministers, who, gained by bribes, grant them their support, and a diminution of the actual revenue is often effected, which more than balances any unjust imposition that has been laid on the country. There is, in short, in many cases relief from tyranny, through the arts and frauds of the village officers and cultivators, and of those who have the immediate collection and receipt of the revenue, and this not unfrequently operates as a check, when others are wanting, on the misrule of oppressive and unjust rulers. When the prince is of a just character, I know of no system that I ever read of or saw for the collection of the public revenue, that is more calculated to be beneficial to cultivators than that established under native administration in India, particularly that of Hindoo princes. And I could here mention many countries which, for a great number of years, enjoyed as much prosperity as could result from the best and most paternal rule. The opinions we form of the great oppression practised by native princes upon the inhabitants of the agricultural classes are, I know, from its having been on many occasions my duty to make

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specific inquiries into the facts, much exaggerated. We receive them from discontented persons of the country, and sometimes from those who are anxious for change from their own personal advancement being concerned; and we often judge them on principles little applicable to the condition of the government or community on whose interests and actions we are called upon to decide. I can only further state, that if the effects of our own rule were to be considered by any other judges upon the same data that we so frequently condemn those of the natives, we should be considered as persons who had practised great oppression. Without referring, as I could, to proofs of the truth of this assertion of an old date, I have within the last four years had frequent opportunities of seeing in countries in which every effort had been made to satisfy the inhabitants, and to establish our rule on the best and justest principles, loud and almost universal complaints, in many districts and villages, against what they deemed oppression and injustice; and in several cases the inhabitants of districts and villages have left their homes to seek the Governor of Bombay in a body, abandoning their wives and children, and their houses for several months, to obtain relief from what they deemed injustice. I mention this fact to show, that all governments are liable to such imputations. In most of these cases I have noticed there was little real foundation for the clamorous complaints that were made; and they proceeded chiefly from a desire of forcing government by such means to the lowering of the assessment, or to a change in the mode in which they were governed. The body of the complainants, I found, were generally influenced on these occasions, as I believe they are in many similar ones under the native rulers, by a few interested and seditious individuals. In cases where military adventurers, like the late Jeswunt Row Holkar and the Pindarries, retain power over large tracts of country for a very considerable number of years, although the cultivators were not annihilated or wholly driven out of the country, they suffered great oppression; and in the Nizam's country, circumstances have created, I believe, a great deal of misery to many of the agricultural inhabitants. With regard to the commercial classes, I have before answered this question; they have much influence under native governments, and have many checks upon tyrannical power, and have in many cases many more opportunities of enriching themselves than they have under our government. Their influence is greatly increased by a number of the principal men, and particularly the bankers, being of one sect, that of Jain, who are associated, however scattered throughout India, by the most intimate ties; and the consequence is, that they act, in all cases of tyranny and oppression, with a union that gives them, as a body, great strength. The Bovahs are also a numerous and united commercial class in several parts of India. I must, however, referring to these classes, observe, that their being free from the effects of tyranny and oppression depends upon their keeping themselves clear of all government employment; for from the moment they become servants, or are employed by the State, they are much at its mercy; and in the difficulties and embarrassments they bring on themselves, or the oppressions they suffer from that cause, they do not receive the support they would from their brethren if they had limited themselves to their commercial concerns.

283. Have you not expressed your opinion, that it is on the happiness of the people that the prosperity and continuance of our empire mainly depends?—I make no doubt I have expressed that opinion often; and that is what always has rendered me so anxious, that in the shape as well as substance of our government, we should adapt it as much as it is possible to their understandings, to their usages, and to the feelings and impressions under which they act, and by the gratification of which, on such points, I consider their happiness can alone be promoted, and their attachment secured.

284. Is it your opinion, that from the complete change in our situation within the last 15 years, a re-construction of our local rule is necessary?—I am decidedly of that opinion.

285. What, in your opinion, would be the nature of that re-construction?—I consider that the natives of India, provided a rule is calculated, upon the principle I have stated, to promote their happiness, neither care nor understand much with respect to the shape we may give it, as far as it affects the European parts of our establishment. With respect to the latter, I do conceive that the changes that have recently occurred require greater power to be vested in the persons entrusted with the general government of India, and that authority should be more concentrated than it now is in individuals who have the charge of the large divisions of that empire. I consider that the vast population of India, and the nature of our

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government, make it as inexpedient as it is unwise, both in a financial and political view, to continue to administer that country by that multiplicity of European public officers hitherto employed; and I consider the numerous local checks which we have desired to establish, when our territories were more limited, to be impracticable in our actual condition. We should afford ample means of administering this vast country to those who are placed at the head of its separate branches, and who rule over different parts of the empire. From the magnitude of our territories, we are compelled to invest them with great power; but I must consider that such a system, though it confers authority and distinction on individuals that will render them more equal to their duties, in no degree removes them from the strict supervision of their superiors; while their minds are elevated by the great trust reposed in them, they will act under checks equally as efficient, if not more so, than those that now exist. I have, however, stated my sentiments upon this subject in my letter to Lord William Bentinck, which forms an enclosure of a letter to Mr. Villiers, the Secretary of the India Board, and is on the table of the Committee. I can only add, that I think the period has arrived when this subject should be taken into immediate consideration.

286. Is it your opinion that no war has been undertaken which, in your judgment, might have been avoided?—I have for a period of nearly 40 years been employed in the Political department of India, and with the exception of the war of Nepaul, and with the Burmese, when I was not in India, I have had opportunities of forming a judgment on all the others that have occurred; and though I believe there were some which might have been evaded for one or two years, with increased danger to the English Government, yet I am decidedly of opinion that no war has been undertaken that could have been avoided.

287. Is it your opinion the establishment of our supremacy has enabled us to make great military reductions?—We have within the last three years made as great reduction in our military establishment as I consider consistent with policy or even with safety; for though there is no power in India of sufficient strength and means to engage in a general war with the British Government, the increased extent of the countries to which we must afford protection requires us to keep up a large military establishment, otherwise we shall be exposed to revolts or risings in the quarters from which they are withdrawn, and these will have besides other consequences, that of increasing our military expenditure in a degree far beyond any saving that could be effected by further reduction in this branch. It is, however, necessary to add, that the great reduction which has been recently made could not have been effected had either the Mahomedan power of Tippoo, or that of the Mahrattas and the Pindarries continued in the condition which they were previous to the wars of 1799, 1803–4, and 1817–18. And I must further state, that the defensive system we long pursued compelled us to military preparations, which were attended with all the expenses of war, without giving us or our allies that security which has been the result of success.

288. Then is it your opinion that the government in India, in obedience to maxims from home, wasted millions upon a mistaken system of defence?—I consider that while upon particular occasions expenses may have been increased by attention to these maxims, that upon the whole they have had a beneficial effect, not only as being consistent with our interest, which it has never been to increase our territory to too great an extent, but as it became of consequence in every point of view that our progress to power should be gradual, and also that the natives of India should be satisfied that nothing short of necessity would make us depart from those rules of policy which we had professed since the first day of our occupying territory in India.

289. Do you conceive that they can understand any rules or principles of policy which can put any boundary to conquest?—I do not mean by what I have said to say that the natives give us credit for motives to which they are such strangers, as having the power to increase our territories and not doing it; but I believe that their princes saw that we were limited by attention to treaties, and by never acting as other conquerors had done, except upon the ground of aggression; and that they often refrained from a line of policy they might otherwise have adopted, had they believed we sought every opportunity of aggrandisement through extension of territory. In this view, the maxims by which we were governed have had a salutary influence upon their minds. Independent of what I have stated, it is my opinion that those often-repeated maxims by the authorities in England against the extension of her power, have, though they could not arrest a progress which was caused by

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by circumstances over which neither the authorities at home nor the local government had any control, in many cases had a good effect in rendering our advance slower than it otherwise might have been. It has given time for gaining that knowledge of the inhabitants of India of all classes, as well as of the country, which has rendered us fitter to govern the territories that have become subject to our power. There cannot be a stronger proof of this benefit than the acknowleged difference between those systems of administration over countries which have lately fallen under our rule, and of those for which we proceeded to legislate in the earlier periods of our rule.

290. How far has the increase of population corresponded in those parts of India which are under our immediate control, and those parts which are not under our immediate control?—I cannot correctly answer that question. The increase of the population of India has always depended, as in other countries, upon the supply of food, and the comparative tranquillity which it has enjoyed; and I should consider that of late years it must have increased in an almost equal ratio in the states of the native rulers who have enjoyed peace and those under our immediate rule.

291. What is your opinion of the situation of the country of Kattywar and Cutch?—The province of Kattywar, which lies between that of Guzerat and Cutch, stretching along the sea-coast from the Gulf of Cambay to the Gulf of Cutch, and bounded to the west by the Desert, has been from time immemorial subject to a great number of Hindoo princes and chiefs. These have always paid tribute, or given service to the native sovereigns, who were considered as their lords paramount. Our first intimate knowledge of this country was caused, many years ago, by its being the source for supplying our cavalry with a very superior breed of horses, which are produced upon its sandy plains. We succeeded, by the treaty of Bassein, to the power of the Peishwas over a part of Kattywar, and all the rights of the Guicowar prince have been recently made over to us for the purpose of liquidating his debts. We have by these means become the lords paramount of the country, which imposes upon us a duty very difficult of execution. A full account of this country will be found in Mr. Elphinstone's minutes, and of mine of the 24th of September 1830, and also in that of the 30th of November 1830, which comprises a summary of every branch of the administration, and is before the General Committee. The numerous chiefs of Kattywar have all separate authority over their own territories, and by their general engagements with us, their lands are forfeited if they do not protect the peace of their respective possessions. This many of them have not the power to do, and much embarassment has been created by our having hesitated in exercising that authority which the native rulers had done, as lords paramount, in punishing criminals whose condition in life, or family connections, made it dangerous for one of the petty chiefs to attempt to bring such criminals to justice. By late arrangements made in 1830, the political commissioner of Guzerat has had this country placed under his authority, and the political agent who resides in Kattywar is under his orders. The political commissioner is directed to visit this country twice every year, and to hold a criminal court, in which he presides, having in aid the political agent and three or four of the principal chiefs of Kattywar, as assessors, for the trial of those state criminals whom it is considered the chiefs have not the power of bringing to justice. The sentence upon any one of these, of death, cannot be carried into execution without the confirmation of the government of Bombay. This plan was adopted as the only one which could enable a great proportion of the chiefs of Kattywar to fulfil their engagements and maintain their principalities in peace; and I earnestly hope that we shall, by it and other arrangements with this high and independent body of military chiefs, be able to avoid, for a long period of years, their falling under the ordinary rule of the British Government, an event which I should greatly deprecate. Their being under our direct rule would bring no benefit to the revenue, or at least none equal, after the expenses it would involve were paid, that could much exceed the tribute which is now punctually paid; and our subjection of them to our courts of justice, and our revenue collection, would not only be attended with internal troubles, but make the most dangerous impression upon the minds of all the military classes to which they belong, along the whole western frontier of India up to the proximity of Delhi, but cause an increased jealousy and dread of our power, that would be very injurious to our local interest in Cutch, Sinde, and on the banks of the Indus, from which Kattywar is only separated by the Desert. We maintain a small body of troops within this country for the protection of its internal peace; but they could not be better situated as belonging to the force necessary for the defence of our western frontier,

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frontier, as Kattywar is much healthier than any part of Guzerat. With regard to Cutch, which is only separated from Kattywar by a narrow arm of the sea, and by what is called the Runn, a sandy desert periodically overflowed by the sea, it is governed by a prince who is the head of the Jarajah tribe of Rajpoots, too celebrated for their crime of infanticide, which it has been an object, through negotiations and engagements with him, his chiefs, and those of his tribe in Kattywar, to eradicate. This small principality has been for many years exposed, from its position, to attacks from Sinde, and from plunderers called Khosas, who inhabit the eastern side of the Desert, by which it is bounded. From these alarms, and from the misrule of its princes, Cutch has been for many years a scene of crime and confusion: it is, since we have formed a subsidiary alliance with it, in the enjoyment of comparative tranquillity. Our troops stationed within its limits have been lately reduced, and the expense we are at to afford it protection exceeds, by a very trifling amount, the sum that is annually paid us by the government. I deem this country from its position to be of much political importance, and that is greatly increased by the recent discovery of the Indus being navigable to steam vessels for at least 1,000 miles. It is also valuable on account of its flourishing seaport, Mandivi; and our alliance with it enabled us to check in a very considerable degree the smuggling of Malwa opium, which, while our former system of realizing that revenue continued, was carried on to a great extent. My minute of the 30th of November, gives full information upon this as upon all other points connected with the various branches of the administration of Bombay, during the three years that I presided over that presidency.

292. What is your opinion as to the expediency of establishing an additional seat of government in Central India?—I have, as particularly relates to Central India, given my opinion most fully upon the subject in various documents, and in my work upon that country, as part of a general system which I deem the present situation of India to demand; I mean the establishment of provincial administration upon an enlarged scale. I must refer the Committee for my sentiments to the letter to Lord William Bentinck, which is upon their table. I certainly think that Central India, with Rajpootana, will form one of the most important subordinate governments.

293. Is it your opinion that, for the good government of India, an enlarged system of policy is necessary, and such as can embrace the whole empire?—In answer to this and the former question, I must refer the Committee to my letter of the 26th of March 1832, to the Secretary of the India Board, and to its enclosure to Lord William Bentinck, under date the 2d December 1830.

Martis, 21° die Februarii, 1832.

THE RIGHT HON. SIR JAMES MACINTOSH, IN THE CHAIR.

William Butterworth Bayley, Esq., called in; and Examined.

William B. Bayley, Esq.

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294. WHAT opinion have you formed from your experience and observation of the manner in which the subsidiary system affects the well-being of the inhabitants of the countries where it is established?—I think that it has proved generally injurious to the happiness and prosperity of the inhabitants of those countries.

295. You have been in the Secretaries' Office of Calcutta?—Yes, in the judicial department.

296. How long have you been in the political department?—I was employed in the political department only for a short period, when I was assistant in an office instituted by Lord Wellesley, called the Governor-General's Office, and in the Persian Secretary's Office.

297. You were secretary in the judicial department?—I was secretary to government in the judicial department for about nine years, and for nearly three years of that period chief secretary to government.

298. What judicial situation did you fill?—I held for about three years the office of deputy register and translator in the court of Sudder Dewanny and Nizamut Adawlut, and I was then appointed register of those courts.

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299. That was the native court of appeal?—Yes; the chief court of civil and of criminal justice. I subsequently held the situation of judge and magistrate of the district of Burdwan for about five years.

300. That is west of Calcutta, how much?—Seventy or eighty miles west of Calcutta. I was afterwards employed in drawing up some new regulations, on the completion of which duty I was appointed secretary in the judicial department, and ultimately a member of the Supreme Council.

301. How long were you a member of the council?—I was called to the council by Lord Hastings for about 10 months, during a casual vacancy in the year 1822, and was a member of council, under an appointment from the Court of Directors, from November 1825 to November 1830.

302. In what respect do you think that the subsidiary system operates unfavourably on the condition of the inhabitants?—The subsidiary system operates to protect the country of our ally from foreign invasion, as well as from the danger arising from internal disturbances, and so far ought not to be otherwise than beneficial; but the prince or ruling power, in the confidence created by our support, feels it less necessary to administer justice, to protect and to promote the interest of his subjects, than he would do if he were liable to the ordinary consequences of bad government; that is, to prevent the people from deposing a bad prince and choosing a good one, the natural remedy for bad governments in all Eastern states. I think also that the sense of dependence necessarily involved in the plan of a subsidiary alliance operates to weaken the interest of a prince in the administration of his own government. Upon these grounds, and from the result of past experience, I think the system of subsidiary alliances is, on the whole, injurious to the subjects of the allied states.

303. Do you consider that the subjects of a prince, before we interfered at all, were happier than under this system?—They were doubtless frequently subject to bad government, but they had the power then in their own hands of redressing themselves; they would not bear long-continued exactions, or oppressions of a nature generally and deeply injurious; they would ultimately rise against and put down such a government.

304. They were happier, because they had certain violent means of redress within their own powers, but not from being well governed?—I do not think it a necessary, though certainly a probable consequence of such a connection, that they would be worse governed under a subsidiary system than before such a system was in force.

305. Only that they had greater means of redress?—They had more power of redressing themselves than they have now.

306. The fear of the exercise of that power your consider is a check on bad government?—Yes, certainly; I think good government amongst native states in India is almost always dependant on the personal character of the prince or minister or both. There are no laws, no institutions powerful enough to control the will of the individual ruler. A strong-minded, well-disposed prince has great consideration with his subjects, and has the means of making them happy, and of governing them well.

307. You consider the natives in these ceded territories of which we had complete possession some time were more prosperous than in a dependant or subsidiary state?—Generally speaking, I do certainly; but there are instances of native chiefs or states, though our feudatories or dependants, making their subjects more happy then we do.

308. Which would you specify?—I am speaking rather from what I have read, than from my own personal knowledge. I am not aware that at the present moment the subjects of any native state in India are so effectually protected, or so mildly governed as the inhabitants of our own provinces; the Mysore country prospered under the administration of Poorneah, and Mr. Elphinstone bears testimony to the good government of the Jageerdars of the Putwurdun family.

309. When you say, in all those states it depends on the personal character of the ruler, do you think there is a greater security for prosperity and happiness under us, guarded by our institutions?—Undoubtedly; I think under our institutions, the natives are protected from violence, both in property and person; their rights and prejudices are regarded; there is an efficient police, and a fair administration of justice, under laws and regulations which are published and embodied in a code.

310. There is a greater security of permanence?—Undoubtedly there is. The natives

natives of Oude, adjoining our own frontiers, have long been subject to great misrule and oppression, and are generally supposed to be anxious to come under our government.

311. That is so?—I have no doubt of it, so far as regards the mercantile and agricultural classes.

312. They think the condition of our subjects is better than those who are left under the nominal rule of the vizier or king of Oude?—So I am led to believe.

313. In fact, the subsidiary force acts as much for good as it does for evil; and if on the one hand it protects princes from rebellion among their subjects, it seems to be good for the people also?—It is good for the people as preventing foreign invasion; but the subsidiary force is sometimes used to enforce the payment of revenue, or to put down rebellion, and in those cases it operates always against the people.

314. We could interfere more on behalf of the people than we could do were there no subsidiary force?—Under some of our subsidiary treaties the British Government is authorized or bound to interfere to check or prevent gross misgovernment.

315. Does not that amount to that interference which it is forbid residents to exercise?—In some of our alliances the right of interference forms one of the specific stipulations. Such is the case with Mysore, Travancore, Sattarah, Nagpoor, the Guicowar and Oude.

316. Has the interference of the resident ever been effectually exercised to rescue the people from the oppression of the princes?—It has. It may be sufficient to refer to the instance of Hydrabad, where European officers were employed in different parts of the country vested with the powers to correct or prevent the injustice and oppression which the natives suffered from the exactions of aumils and farmers sanctioned by the minister of the Nizam.

317. In what way is communication carried on between government and residents?—The secretary in the political department corresponds with the residents, and the residents sometimes correspond directly with the Governor-General. There are regular means of communication by post throughout India.

318. There are frequently points occur which can hardly be settled in India, but which require to be referred home, are there not?—In matters of importance, which may admit of the delay, a reference is made to England; but in cases of emergency, where delay would be injurious, the government exercises its discretion and acts without previous reference to the home authorities.

319. The native governments in India are pure despotisms, are they not?—They are so: but as regards the agricultural classes, that despotism is softened or modified by the municipal institutions of the villages, where such institutions are still in existence.

320. What is the punchayet?—Any number of arbitrators, generally five, and selected by the parties. It bears the character of a court of arbitration. It is also a kind of tribunal for settling questions of caste, and professional disputes; but it is seldom resorted to in common civil controversies in Bengal.

321. You do not conceive that a prince deprived of all political importance has the same strong and constant inducement to watch over the safety of his subjects as one who possesses that importance?—I do not.

322. Or to enforce laws for their protection?—No, certainly not.

323. Have there been any gross instances of our interference against subjects?—I recollect some instances in which our troops were employed to enforce the authority of the king of Oude over subjects who had been driven to resistance by oppression and injustice.

324. Is it at the option of the resident to order our subsidiary force to assist princes, or is he bound by treaty to do so at the request of princes?—He would not do it without the request of the prince.

325. Is it imperative?—He would in doubtful cases consult his government, and suspend the order until their authority was received.

326. It is not imperative then?—No; it has for sufficient reasons been often refused.

327. The only case understood by the treaties is either protection against some foreign enemy, or against domestic revolt?—Generally speaking, such is the case; but we are authorized by some of the treaties to interpose by advice, and in other instances even to assume the management of the country.

328. That is not in the majority of the cases, is it?—No, our subsidiary alliances do

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do not all warrant our interference in the internal administration of the protected states.

329. At present, in most of the states there is so little chance of foreign invasion and foreign aggression, that the subsidiary force is merely nominal, is it not?—At present we have paramount authority all over India, and have the power to prevent aggression on the part of one state towards another. All our treaties stipulate that disputes between any two states shall be referred for adjustment to the British Government, and that they shall enter into no negotiation without our knowledge.

330. Are the courts of justice in those places with which we are connected by subsidiary treaties exclusively administered by native punchayets?—They have no regular system of justice. Disputes are sometimes settled by the chief of a village or of a district, by a farmer or other person in authority; sometimes by punchayets or arbitration, and very frequently by a bloody affray. Where there are courts of justice, the natives prefer going to them; where none exist, they must either fight or resort to arbitration.

331. Is not one practical consequence of subsidiary alliances universally acknowledged, namely, that the multiplicity of business it entails on us prevents our consideration of and attention to matters of more importance?—The duties devolving upon us in our capacity of the dominant power in India are doubtless difficult, and occupy much of the time and attention of government; but on the other hand, if we were not in that situation, we should have a great deal more trouble in maintaining our interests, in guarding against hostile combinations, and in repelling aggression.

332. And it is the most economical system, you think?—Calculating, as I think we have a right to do, on the long continuance of peace and tranquillity in India, I think our present system more economical.

333. Has the Nabob of Bengal any power?—No, he is a mere pensioner.

334. He has no territory whatever?—No, none at all.

335. Do you know since what time he has ceased to have territory?—The internal administration was altogether withdrawn from the Nabob and transferred to the English about the year 1772. The grant of the Dewanny was obtained in 1765.

336. We have residents at the Rajpoot states?—There were residents or political agents at Oudipore, Jypore and Cotah. The political affairs of Joudpoor and some other Rajpoot states were superintended by the commissioner at Ajmere. At present the latter officer has charge of our interests, with the state of Oudipore also.

337. What is the name of the prince to whom he is more nearly accredited; what is the head of the Rajpoot states?—The highest in point of rank is the state of Oudipore.

338. Are those countries better governed than those in which we have direct interference?—They are scarcely recovered from the devastations of the pindarries and other predatory bands.

339. You have hardly had an opportunity of observing their internal condition?—I have not; but it is notorious that they are in a much better situation than before. The internal government, I imagine, is very lax, but they are no longer exposed to the ravages of plunderers.

340. The general tenor of the instructions from home, both from government and the Company, has always been strongly against conquest?—It certainly has.

341. Then it would seem the government of India has always been active in spite of their instructions?—Most of the wars into which the British Government has entered have been forced upon us; our interference has often been reluctantly exercised. We cannot recede, and it is probable that, ultimately, the whole of India will come under our own dominion.

342. You are entirely of opinion that the result of what has been done is for our own advantage and the happiness of the natives?—I think that the bulk of the inhabitants of those states which have fallen under our own direct government have derived benefit from our aggrandizement. I cannot say the same with regard to some of those states which are under our control partially.

343. Then these advantages have been achieved in spite of instructions from home?—The instructions from home have always discouraged the extension of territory, and have deprecated war as leading to that consequence; but after having

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gone to war we have been compelled to extend our dominion, both as indemnity for the past, and as security for the future.

344. It has, then, led to a much better state of things, to a much more easily defended country, which is more likely to lead to the happiness of the natives, and there is less expense, because there is less recurrence of war?—Generally speaking, such has been the result; but the expense of increased military and civil establishments has exceeded in several instances the advantages acquired by our conquests.

345. Do you think it has increased out of the proportion to the increase of territory?—Out of proportion to the increase of revenue.

346. As they improve, will they not meet the expense?—The revenues will probably increase very considerably. Some of our acquisitions are very productive; others (for instance, the cessions from Ava,) are much the reverse. It will be long before the latter will yield a revenue at all commensurate with the expense incurred in conquering and maintaining them.

347. You consider the superiority of the countries governed by the English administration directly, to be much more clear and certain over the administration of the subsidiary states than over the administration of native powers, independent powers, without giving any absolute opinion on the latter part of the subject?—Yes; I think that those states with whose government we interfere occasionally, and which are supported by our military power, are rarely so well governed as our own territories, or as those which are more completely independent of us.

348. So that the intermediate state is the worse?—Such is my opinion.

349. Taking all the circumstances into account, perhaps the superiority of the English government over a good native government (that is, the appearance of vigour and spirit) is not by any means so certain as the superiority over the others?—The bulk of the people, the agricultural and commercial classes, the bankers, manufacturers and artizans, are all better off under our direct government; but the aristocracy of the country, the military classes, those who had formerly the means of aggrandizing themselves by offices of trust and emolument, have suffered in proportion; their prospects are very much deteriorated, and their occupation is gone.

350. The people are better, and those who prey on the people are worse off?—Generally speaking, such is the case.

351. Do you imagine that it requires fewer troops to keep our own immediate subjects in order, than the subjects of princes with whom we have subsidiary treaties?—The greatest part of our force is stationed either in the territories of our allies beyond our frontiers, or in positions close to our frontiers. In the provinces of Bengal and Behar, containing a population of at least 30,000,000, there are not more than 12,000 or 13,000 troops of all arms, of which one half is stationed in the immediate vicinity of Calcutta.

352. There is no disposition to revolt?—In our old established territories under the presidency of Bengal, I have never seen any disposition to revolt.

353. You think it would be attended with less expense to maintain the government if we had it under us immediately, rather than under the present system?—That is a question which I am scarcely prepared to answer; but I think that if we had complete possession of all India, exercising all the powers of civil government, and collecting the revenue for our own purposes, the expense would be less in proportion to the revenue than it is at present; but there is an obvious benefit in the continuance of some independent or partially independent states to which turbulent and bad spirits may resort, and find some employment. Such individuals might prove mischievous if all India were under our exclusive government.

354. There are back settlements in which there would be still room for them perhaps?—Not if we were in possession of the whole interior of India.

355. We have to control these bad spirits only under another name?—The individuals to whom I allude would find no employment under us; there have been a vast number of soldiers of fortune in India, many of whom cannot even now find employment. If we had the whole of India under our dominion, and our military system continued as at present, those soldiers of fortune would find no employment whatever.

356. Do you consider that there is a constant indefinite danger existing from our own army?—Constituted as our native army is, it cannot be otherwise than that there should be some indefinite danger; but I do not see any present cause for apprehension; when it does arrive, it will probably have been caused by our own mismanagement.

357. You

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357. You do not see any particular danger?—Partial mutinies may arise from very trifling causes, and revolt and disaffection may be expected if ever the state of the finances should render us unable to pay the troops with regularity, or an ill-judged economy should enforce a reduction of their allowances.

358. Do you think the subsidiary system as good as any that could be substituted for it?—I do not see how it is possible now to change it. We cannot retrace our steps without weakening our own power, and exposing our dominion to serious hazard.

359. On the plan of governing the country by a dewan, what do you think of it?—I think that is the very worst of all, if by a deewan is meant a minister supported by our influence, and exercising authority properly belonging to the prince.

360. You do not agree with Sir Thomas Munro?—I am not aware that he has given an opinion upon the case I have supposed; the question is a different one if it refers to the administration of a deewan during the minority of a prince. The success of Poorneah in Mysore is an instance of the latter; the atrocious misgovernment of Chundoo Lal at Hyderabad, of the former.

361. Do the natives enlist willingly?—We find more difficulty in getting sepoys than we used to do from our own territories; our Bengal army is chiefly recruited from the territories of the king of Oude; our own subjects have lost their military character, they now follow commercial and agricultural pursuits in preference.

362. That speaks in favour of their prosperity?—No doubt; it is a proof that they are protected in the enjoyment of the fruits of their industry.

363. Have you heard of the scheme of the Supreme Government being discharged from local concerns?—I have.

364. What do you think of it?—I have recorded my sentiments on the subject in a minute, dated the 9th of November 1830, to which I beg leave to refer. I think it impossible for the Supreme Government to exercise an effectual control over the other presidencies, while it has to conduct the administration in detail of extensive territories containing 50,000,000 or 60,000,000 of inhabitants.

365. At what town would you place the central government?—Somewhere in the Western Provinces probably; but it should not be fixed to one spot.

366. Is there a direct overland communication kept up between Bengal and Bombay?—There is a daily communication by post.

367. In what time do they come?—It depends on the season; in the rainy season it is as long as three weeks, but ordinarily 16, 17 or 18 days.

Lunæ, 27° die Februarii, 1832.

THE RIGHT HON. SIR JAMES MACINTOSH, IN THE CHAIR.

Major *Close*, called in; and Examined.

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368. HOW long were you in India?—Rather more than 22 years.

369. What diplomatic stations did you fill?—I had been assistant to the residents at Nagpoor and at Poonah; afterwards I was resident with Scindia at Gwalior.

370. Who were you assistant with at Poonah?—I was assistant with Mr. Elphinstone.

371. At Nagpoor whom did you assist?—Mr. Elphinstone first, and Mr. Jenkins afterwards.

372. For what time in all?—About 12 years.

373. You were afterwards resident with Scindia?—Yes, for about eight years.

374. What is the relation in which Scindia stood to the Company?—He was independent.

375. Has he no treaty with the Company?—Yes, there are several treaties, but they are not such as to abrogate his independence, or to place him in acknowledged submission to the British Government.

376. Are they in the nature of what we commonly call offensive and defensive treaties?—No, not even that.

377. Do they imply any guarantee of his dominions?—No.

378. Is

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378. Is there nothing peculiar in them?—Nothing peculiar in their general character beyond that of reducing his resources and curtailing his influence.

379. Do they not even amount to treaties of defence and alliance?—No, certainly not; unless, indeed, the last treaty which we made with him for a temporary and special purpose might be considered so; but we have no permanent one. His political relations, however, have been effectually confined, and his power of injuring his neighbours equally restrained in consequence of the claim to our protection which all the other states have established by their treaties with us.

380. Do they contain any provision restricting him from employing European officers, foreign officers, or anything of that sort?—They are no more than treaties of peace, very little more than that; at one time there was a treaty of the nature alluded to, but it was dissolved soon after its conclusion, and never came into practical operation.

381.—There is none now?—No; there was none when I left India in 1824.

382. Now, under those circumstances, and separating the two parts of your experience, when you were assistant to the residents at Poonah and Nagpoor, what opinion did you form from your observation of the way in which the connection between the Company and its dependant allies affected the good government and good condition of the inhabitants of the countries respectively?—At the time when I was at Nagpoor we had no such treaty as we have formed since; so that we had no opening given us to interfere at all with the administration of the country. With regard to Poonah, where we had such a treaty, my opinion was, that the general effect was good, and was favourable to the prosperity of the inhabitants.

383. What do you think of the well-being of the inhabitants, the subjects of the Peishwa, as compared with their condition before we interfered at all in Mahratta affairs, on the one hand, and the condition of those who are the direct subjects or the Company on the other?—Why, inasmuch as those who are our direct subjects live under a more systematic and just government, I should certainly conclude that their condition was infinitely superior to that of the Mahrattas.

384. Do you think, from your observation, that the subjects of the Company were in a better condition than those who were the then subjects of the Peishwa?—I should think so.

385. Do the observations, therefore, which you made, apply to a comparison of their condition after we began to interfere in the Peishwa's internal government, or with what it was before our interference?—Not having been in that country before our connection with the Peishwa's government, I can only speak from general conjecture on that subject; but I should fancy that the condition of our subjects was better, on a comparison with the Peishwa's, at either of those periods.

386. Was the treaty by which there was a certain right of interference the treaty of Bassein?—It was.

387. Did that take place in 1803?—No, it was at the end of 1802, and just before the Mahratta war of 1803. That war arose partly perhaps from the discontent of the subordinate chieftans, at the low condition to which the head of the state was reduced by it, but principally from the mortification they felt at the diminution of their own influence which resulted from it.

388. What was the comparative state of the people in the province of Berar, under the rajah, and those who were the subjects of the Peishwa before our frequent and familiar interference?—I had never known anything of the Poonah territories before our treaty of defensive alliance with the Peishwa in 1802.

389. When you were at Nagpoor there was no treaty authorizing our interference?—No, not at Nagpoor.

390. What was then the condition of the security of person and property, and the administration of justice in the rajah of Berar's government?—Indeed, I should say there was very little of either.

391. Did he collect his revenue by military means?—It was not always necessary to employ military force, but occasionally it would be so.

392. In the Mahratta territory, was it generally necessary to employ military means to collect the revenue?—I should not suppose that it was so on all occasions.

393. Was a great part of the revenue of the Mahrattas derived from a tribute paid by the neighbouring states?—A considerable part.

394. Was that collected by force?—That was generally collected by force before

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our engagements with the Mahratta states, which put a stop to their violent aggression.

395. Who paid choul to the Mahrattas so late as the period immediately following the war against Mysore?—Little or no tribute of that description was collected by the Mahratta states south of the Nurbudda, but to the north of it there was.

396. Do you remember any of the states that paid chout to the northern Mahrattas?—All the Rajpoot states, without exception, I believe.

397. But confining yourself to the Poonah Mahrattas at present?—There certainly was none paid to them after 1802; nor do I suppose there had been for some time before.

398. Did all the Rajpoot states pay chout to the Mahratta chiefs?—Yes, to those situated north of the Nurbudda, of which Scindia and Holkar were the principal; but that system of plunder and exaction has ceased with the extension of our influence and the formation of our engagements with nearly all the states lying north of the Nurbudda.

399. Have you anything to state further with regard to the subsidiary system?—I can only say generally, with respect to the subsidiary system, that it was calculated to promote our own interests, and also, under good management, to increase the prosperity of the country at large. It has given the means of maintaining, without a constant drain upon our ordinary resources, a well equipt force, ready at all times for any emergency; and it has enabled us to preserve, in a great degree, the peace of the country, which before its introduction was constantly exposed to the ravages of undisciplined and contending armies. The effect has also been to put it in our power to control, or in a considerable degree to moderate, the defects of at least some of the native governments, much to the advantage, as I should conceive, of their subjects.

400. Can Major Close specify any state in which that system had been under good government, so as to promote beneficial effects?—As far as my observation has gone, I have formed the opinion that the system had not answered so well under some of the Mahomedan governments as in the Hindoo states; but I think that in the Hindoo states it has generally been productive of advantage.

401. Is there any direct cause which would account for its being more beneficial in the Hindoo states than in the Mahomedan states?—I do not exactly know to what it is to be traced; but if true, it may perhaps be ascribed to this, that the Hindoo governments may harmonize better with the feelings of the inhabitants, the great mass of whom are themselves Hindoos; and that the Mahomedan government may not be so acceptable to the people at large.

402. Would that have anything to do with the subsidiary system?—No, I should apprehend not; unless it be that the Mahomedan governments might therefore stand more in need of our assistance to support their authority.

403. Do you think, or not, that the success of the English administration in Hindoo countries was likely to be greater than in those under Mahomedan government, partly because the Mahomedans were a set of conquerors like ourselves, and therefore disliked our presence?—I should not say that it was from any aversion borne by the Mahomedan governments to us that those effects to which I allude had proceeded; it has not been from that cause, since although the cordiality of our intercourse with them has occasionally met with slight interruptions, they had, up to the period of my leaving India, eight years ago, proved more faithful to their alliance with us than some of the Hindoo governments.

404. Were not a great number of Mahomedans driven out of military service at Mysore?—Very many.

405. The peace which has been established in India has injured their interest very materially there, has it not?—Yes, very much; but the same effects must in some degree have been felt by the Hindoo soldiery also.

406. But as to Hindoo officers or chiefs, does that remark apply?—Not to the same extent, certainly. I should wish to explain a previous allusion to our treaties of peace with Scindia, by observing that those treaties were the consequence, either of open hostility, or of a state of things nearly approaching to war; that in the former case our purpose had been to effect such a reduction of Scindia's power as should disable him from prosecuting future wars against us; and in the latter, to give such a direction to his employment of the resources still left to him, as might contribute to the general and permanent peace of the country.

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407. WERE you engaged in diplomatic service in India?—Yes, I was.

408. For how long a period?—I resided in India altogether about 27 years, of which time I was employed in the Political department from 1808 to the period of my leaving India. I was attached first to the Delhi residency, in the situation of assistant to the resident; and I remained there until the Nepaul war, which occurred in 1814, when I was called to that quarter, and have been employed within that country until I left India in 1829.

409. How long were you at Delhi?—About six years in the Delhi territory, but very little at Delhi itself.

410. In Nepaul how long?—I was about 12 years altogether in Nepaul.

411. Now the principal duty which you had to perform at Delhi was administrative, was it not, with respect to the district?—I was in a subordinate situation, and was employed during nearly the whole time I was there in charge of the district of Hurriana, a territory that fell into the British government in consequence of the chief to whom it was assigned not being able to maintain his own authority in it, and he gave it up to the government for a certain stipend.

412. Then were you employed for six years in Delhi in the duties of local administration, and 12 years at Nepaul in diplomatic negotiations?—Just so; I was political resident at Khatmandoo, at the court of the rajah of Nepaul.

413. What is the nature of our political relation with the rajah of Nepaul?—It is founded upon a treaty of amity consequent on the war which we were engaged in with that state, and which ended in its being compelled to admit a treaty with the British Government of that nature.

414. There is no subsidiary force?—None whatever; we were under no obligations for its support or defence, neither was anything required from it in the shape of subsidiary or of military aid.

415. From your long residence in that territory, you will be able to inform the Committee what you think of the condition of the inhabitants, especially the lower classes of that territory, compared with those of the Company's territories which you have seen?—I think their condition generally would bear a very favourable comparison with those of the Company's territory; the people I consider, on the whole, to have been well governed, and in as good and happy a condition as those of any other states with which I have been acquainted.

416. Have you seen the whole of the Company's Bengal presidency?—I have had very little experience in Bengal; I resided chiefly in the Upper Provinces and within the Delhi territory; I have passed through the country, certainly, but I have not sufficient knowledge to speak to its actual condition.

417. Had you any opportunity of seing the Nabob of Oude's territory?—Simply as a traveller through it.

418. What do you think of its state?—It was, when I passed, considered to be in a disturbed state as regarded the police, but it appeared to be very highly cultivated; it was no doubt in rather an unsettled state at the time.

419. Who are the inhabitants of Nepaul?—The Goorkahs are the ruling race.

420. Have the Goorkahs always remained Hindoos?—They are entirely and strictly Hindoos, and no part of the inhabitants profess the Mahomedan religion. I suppose there are not a dozen Mahomedans in the whole country.

421. Do you apprehend any danger to our possessions from their vicinity?—Not in the position in which they have been placed in consequence of the late war between the British Government and the Goorkah nation; before that event, they certainly held a very threatening and commanding position along the whole extent of our northern frontier.

422. What was their native state;—They came from a place called Goorkah, whence they derive their appellation.

423. Where is that?—It is a small mountain territory situated to the north-west of the valley of Nepaul, whence the Goorkahs issued, and successively conquering all the petty states into which the whole of that region was formerly divided, united them under one rule, and established the government in their own tribe and family.

424. Had the conquered people the same institutions and manners with the conquerors?—Not exactly; the inhabitants, for example, of the valley of Nepaul are

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are called Newars, and although Hindoos, they are Boodhists in religion, while their conquerors, the Goorkahs, are of the Braminical faith.

425. What time did the Goorkah's conquest begin?—I think the conquest of Nepaul Proper, as it may be called, was effected in about 1767–8, between 60 and 70 years ago.

426. You think the condition of the people in the Nepaul country, in the whole province of the Goorkah dominions, might be advantageously compared with the subjects of the Company?—I have not visited the whole of their dominions, but considering the nature of their government, which is a military one in its character and arbitrary in its form, I think the inhabitants generally are under a lenient government, and that the condition of the people would bear a very favourable comparison with the subjects of the Company, or those of any other state in India.

427. Have they one supreme head, or is it a federative state?—The authority is vested in the rajah alone, but its exercise is much modified by the influence of the baradars, or chiefs of the state, who claim a voice in their national councils they are summoned by the rajah, or by those acting in his name, on all important occasions, where they deliver and express their sentiments very freely, and the majority of their opinions generally decide questions of peace or war, or other matters of moment; the authority is usually in the rajah's hands, no doubt, but modified in this way.

428. Is the rajah's authority hereditary?—It is.

429. Are these chiefs hereditary in general?—In general they are; they are the heads of the families whose ancestors bore a share in the conquests effected by Prithee Narain, their chief; they generally fill, like ourselves in India, all the principal offices of state, and have the command of the troops, keeping the conquered people in inferior situations under the government. These chiefs have always, therefore, been looked on as having a direct interest and voice in public affairs, and they thus modify the power of the rajah.

430. Are there many slaves in Nepaul?—There does exist a species of domestic slavery, but not in the acceptation of the word in which it is understood in Europe.

431. Have you any labourers slaves?—If the family they belong to is an agricultural one they are sometimes employed in the field, but not particularly so; they are used for all domestic purposes. They cut wood and fetch water, and are employed as servants.

432. Can they be sold?—I apprehend they may be.

433. Without the soil?—They are not attached to the soil at all.

434. Did you ever know any instance of a sale?—I cannot say decidedly that I have. I believe that it did take place; but I had no means of knowing absolutely that it did.

435. Do they form a large proportion of the inhabitants?—By no means.

436. May it be called an inconsiderable proportion?—An inconsiderable proportion. Indeed, I believe they are chiefly foreigners from the side of Thibet principally, and from among the Bhoteea people.

437. Are any of them those who have been made prisoners?—No; they are people, who, I believe, have been chiefly sold when children, in times of famine and scarcity.

438. By what means have we secured our possessions against the danger which formerly existed from the Nepaul state?—Its power has been considerably reduced by the treaty. All the mountain territory which had been acquired by us in the course of the war to the west of the river Kulee was ceded to the British Government; to the eastward, the Nepaul government agreed to abstain from any interference with the petty state of Sikim, which forms its boundary on that side, and to submit any disputes that might arise between them to our arbitration. Consequently, the Nepaulese are now confined on three sides by the British power and territory or by the Sikim country, the possession of which is guaranteed to the rajah; and on the north they are shut in by the Hemalayan, or great snowy range of mountains which extends along that portion of their frontier, and now forms part of the Chinese empire, so that they are completely inclosed, and have no power of acting in any direction beyond their own territory.

439. Is the source of the Ganges within the Goorkah territory?—It was, but is now within the province of Kumaon.

440. These are now English provinces?—Yes; Kumaon has been annexed

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to the British possessions, and the petty states lying to the westward of Kumaon, about eight in number, were restored under British protection to the chiefs from whom they had been taken by the Goorkahs in the progress of their conquest. They are insignificant in extent, and their revenues are very small; and with the exception of a few places which were reserved as military stations for some hill corps, that were raised as an employment for the military classes in the country, were restored to the chiefs in the same condition as they had originally possessed them, without their paying tribute or furnishing military aid, which they are unable to do.

441. Has the Mogul any independent territory at all?—None.

442. Is Delhi his?—No; the country round Delhi was assigned for his support, but the revenues are collected by our government, and a stipend is paid to him out of it.

443. Does Nepaul appear to differ from any other Indian state, in its government and in the condition of its people?—Yes, it differs very essentially. The country has never been subdued by any of the foreign invaders or conquerors of India. The people are more simple, unmixed and original in their manners, less superstitious, and less bound by rules of caste and other Hindoo observances than the people of Bengal.

444. Before the Goorkah conquest, was the country divided into small rajahs? —Yes, in the valley of Nepaul alone, which is only about 50 miles in circumference, there were no less than three princes whose capitals were within a few miles of each other; they each had a share of the valley, which was considered the most valuable portion of their principalities. One of the articles of the treaty engages that they shall not give service to any European without the sanction of the British Government.

445. Is there any restriction on their rights as to making peace and war?—The usual article in our treaties with the native powers, by which they bind themselves not to enter into political negotiations with any other state, is not a part of the treaty with Nepaul.

446. Was Silkim a Nepaul state?—No, but the Nepaulese were in progress of its conquest when the war broke out, and it was restored to the rajah, and the possession guaranteed to him with the view of forming a barrier in that direction against the further aggression of the Nepaulese, and to put an end to that career of conquest to which they had so long been accustomed, and which, but for the war with the British Government, would in all probability have carried them eventually to Cashmeer.

447. In what manner are they armed?—Their troops are armed, disciplined and clothed on the model of the sepoys in the British service; the words of command are given in English, and the gradations of ranks are copied from ours, or rather applied as they were used in the time of Mr. Hastings' administration. They cast some cannon, and to each of their battalions they have two guns attached; they were taught this by a Frenchman, who was in their service formerly, They manufacture their own muskets, from excellent guns produced in their territory. Their artillery is not, however, of much use, from the difficult nature of their country.

448. Is their force chiefly infantry or cavalry?—Entirely infantry; they have no cavalry; there is not a road in the country on which cavalry could be moved.

449. How do you travel?—Generally on foot: women are carried in a kind of hammock. Horses, except in the valley, are nearly useless.

450. Did you walk to Khatmandoo?—On my first going there I travelled in a kind of litter used for the purpose; afterwards I frequently walked on journeys, or or used a litter, or rode on small ponies which are brought from Thibet.

451. Have the inhabitants of this place made greater progress in science than in other places?—They know not much of science; education, as far as it goes, is very general: it is uncommon to see a person who cannot read or write, or know something of accounts: every village has its instruction in some way, but it seldom proceeds further than that; and the higher branches of learning are quite unknown.

452. Have you had an opportunity of comparing the territory of Nepaul with other parts?—I have been entirely employed at the court of the rajah of Nepaul since the peace of 1816.

453. In the administration of justice, is there more security of persons and property than elsewhere?—Yes, I never knew it more so elsewhere. The Nepaulese, like all mountaineers, are particularly honest, and very little given to crime or violence of any kind.

454. Are there tribunals there?—Yes; heinous crimes are very unfrequent;

 petty

The Hon. *Edward Gardner.*

27 February 1832.

petty criminal cases are heard in the first instance by the magistrates of the towns, or local authorities in the country; they punish to a certain extent. Graver crimes are brought before the rajah, or those exercising his authority, and are decided once a year. There is, I think, a greater degree of security for person and property than I have ever observed in any other part of India.

455. Have they public works?—Scarcely any. They have built a few bridges, and made a few roads in the vicinity of the capital, but it is contrary to their policy to construct roads or throw open their country in any way.

456. Is it quite an agricultural country?—Yes; and it is well cultivated where circumstances admit of it, and the valley itself is cultivated by what in this country is called spade cultivation, and is productive.

457. Have they any commerce?—Not much; it has increased somewhat since our connection with them; they export some things not got from other parts of the world, such as musk and borax. It is not found in their own country, but comes through it from Thibet.

458. Is there great facility for merchants?—Why no, every thing must be carried on porters' backs; but merchants meet with every protection.

459. Have you much tea from China over land?—No.

460. Do they bring it down to Benares?—I believe not, It comes down in cakes occasionally, but we should not consider it as good, or drinkable indeed.

461. Did you ever hear of a tea plant being raised?—I remember seeing one in Nepaul. The Nepaulese are considered as tributary to China, and every five years they send a mission to Pekin through Thibet; on one occasion of this kind they brought a tea plant with them, and in a Cashmerian's garden close to Khatmandoo, it was still growing where I saw it, at a place between the residency and the town.

462. Is it a good climate?—An excellent one, I think; not much unlike that of Switzerland, I should suppose.

Mr. *Francis Wilder,* called in; and Examined.

Mr. *Francis Wilder.*

463. HOW long were you in India?—Exactly 22 years.

464. In what department did you serve?—Chiefly in the political department.

465. In the diplomatic department?—Yes.

466. Were you diplomatically employed?—For the first six years I was employed at Delhi in a subordinate situation entirely in the local administration, and afterwards at Ajmeer for six years more; during which time the states of Joudpoor, Jesselmere and Kishengurh were placed in communication with me; but I still continued under the resident as an assistant.

467. Just state where you were afterwards?—I was afterwards at Sangur for one year; and after that (in 1827) I succeeded to the residency at Nagpoor, where I remained until the end of 1829, when I came home.

468. Whom did you succeed?—I succeeded Mr. Jenkins.

469. How long were you resident at Nagpoor?—About three years.

470. In what condition, compared to neighbouring countries, did it appear to you that our territory around Delhi was when you were employed there?—At Delhi the territory was entirely under the British Government.

471. In comparing that country with the neighbouring native dominions, what do you think of their comparative well-being?—I think the subjects of the Company in the Delhi territory were far better off than the subjects of the neighbouring native princes.

472. Who are the native princes whom you make the subjects of comparison chiefly?—The Seik territories to the north, Ulwur, Biccaneer, and the other Rajpoot states to the westward.

473. Do you know anything of the dominions of the King of Oude?—I do not, I never was in that country.

474. You have seen the country of Rajpoot?—Yes, I have.

475. In what state, in the country you have seen, is the security of persons and property and the administration of justice?—I do not think, in any of the Rajpoot territories I have visited, there is much security for persons or property, though the state of things has very much improved since we have formed an alliance with them.

476. Had they any regular administration of justice?—No regular system.

477. What is the nature of our federal connection with the Rajpoot chiefs?—Entirely protective; and in return for our protection they bind themselves to afford

military

military aid on requisition, to submit to our arbitration of external disputes, and not to form any new alliance with other powers.

Mr. *Francis Wilder.*
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478. Anything with regard to foreign officers?—No.

479. Would that be prevented?—Certainly, I should suppose so.

480. Is there any subsidiary force on foot?—Not in the Rajpoot states, but Joudpoor is bound to furnish 1,530 horse, when called upon.

481. Do the residents interfere to prevent anything wrong taking place?—They would do so; but during the time I had charge of Joudpoor and Jesselmere there was no occasion for any interference whatever.

482. Do you think that was in consequence of the improved administration?—I think it was owing to the nature of our connection with them.

483. Do you ascribe that improved administration to the effect of the presence of the English resident, and the fear of displeasing the English?—Yes, I think it was.

484. Do they show anxiety to maintain a connection with the Company?—The states with which I have had any concern, I conceive, certainly do.

485. So that you think there is no stipulation in any one of the treaties with them for the resident's interference?—No, none whatever in their internal affairs.

486. So that with that very limited degree of influence, you think the connection with England and the fear of the displeasure of the English Government have very sensibly improved their administration?—I think it has.

Veneris, 2° die Martii, 1832.

THE RIGHT HON. SIR JAMES MACINTOSH, IN THE CHAIR.

Major *Carnac,* called in; and Examined.

Major *Carnac.*
2 March 1832.

487. YOU were the Resident at Baroda?—I was the Resident there for nine years, and an assistant to the Resident eight years previously.

488. How long is it since you ceased to be Resident?—I ceased to be Resident in 1819.

489. What is the population of the Guicowar territories?—The population of the dominions of the Guicowar I estimate to be from five to six millions in the province of Guzerat, the states tributary to it, and in the Surat Attaveesy, possessions in the neighbourhood of that city.

490. When did we enter into any subsidiary engagement or treaty of alliance with the Guicowar?—Our first negotiation to establish an alliance with the Guicowar state was early in the year 1802, when the prince deputed a mission to Mr. Duncan, the governor of Bombay, to solicit the aid of the East India Company to put down the rebellion of one of his own family (Mulhar Row), who was aiming at supremacy in Guzerat.

491. Was there any diplomatic intercourse between the two governments prior to that?—A treaty of amity was entered into with the first Futteh Sing Guicowar so far back as the year 1780; but for the purpose of a more intimate connection, none except through the agency of the mission in 1802 to Bombay.

492. Was there a Resident at that time or previously at Baroda?—Not at any time. The governor, early in 1802, went to Cambay (the territory of a Mahomedan), in order to have an opportunity of a nearer communication with the Guicowar, on the subject of the alliance proposed; he was accompanied by a small force, placed under the command of Major Alexander Walker. A negotiation ensued with the minister of the Guicowar at Cambay, the result of which was the advance of the force for the suppression of the rebellion of Mulhar Row Guicowar, which, after several engagements with his forces, was accomplished. At this period, namely, May 1802, there was merely a written engagement with the Guicowar minister, dated the 15th March of that year, to reimburse the expenses of the expedition against Mulhar Row, and for the Guicowar state to subsidize a permanent force from the Company. In June 1802, articles of agreement were drawn up, which were afterwards consolidated into a definitive treaty. It was then engaged that we should liberate the Guicowar from the thraldom of his mercenary troops, composed of Arab sebundy, and to assist in discharging the debts

Major *Carnac*.

2 March 1832.

debts which the Guicowar state had largely contracted. This laid the foundation of the extensive system of interference which prevailed at the court at Baroda, different from that pursued with any of the other powers with which we are allied in India. In consequence of the wars which took place in 1803, 1804 and part of 1805, with the confederated Mahratta powers, Dowlut Row Scindiah, the rajah of Berar, and Jeswunt Row Holkar, the definitive treaty was not executed until the latter year. It contracted that a contingent of three battalions of native infantry; a company of European artillery, and a company of lascars should be furnished, the expense of which was provided for by the Guicowar state, by cessions enumerated in the schedule attached to the treaty, amounting to 11,70,000 rupees per annum. It was also stipulated that the subsidized troops should be stationed within the territories of the Guicowar state, and that one battalion should be employed in the province of Kattywar.

493. Is that treaty existing up to this time?—It was in full force till 1817, when supplementary articles were added to the definitive treaty, which I will advert to presently. The expulsion of the Arab mercenaries from the service of the Guicowar, and their ultimate ejection from Guzerat, involved the Company in the responsibility of engagements to bankers who had advanced monies to the state for the payment of arrears to troops and general debts. The Company also advanced from its own resources a sum of 30 lacs of rupees, and guaranteed to the bankers or soucars a further sum of not less than 70 or 80 more. It was at this time stipulated with the minister (the rajah Anund Row having long been in a state of mental imbecility), that a reformed scale of expenditure should be adopted, and that the resident with the minister should form a commission for the government of the affairs of the state. These arrangements were made by Major, afterwards Lieutenant-colonel Walker, and came into full operation immediately after the period of his quitting India, and my succession to his office in 1810. There were other important arrangements also made in 1807 by that distinguished officer, Colonel Walker, with the states tributary to the Guicowar and Peishwa, in the province of Kattywar, which are fully developed in the despatches of that time. Shortly after my succeeding to the residency, it was deemed proper by the Bombay and Supreme Governments to introduce into the commission of government the heir presumptive, Futteh Sing Guicowar, who was considered the president of the commission, and measures of internal administration or foreign intercourse were conducted in the durbar of his highness Futteh Sing, in the name of the rajah Anund Row, but with the cognizance and under the direction of the resident, in conjunction with the minister of the state. The reformed scale of expenditure was strictly followed till the year 1817, when the war with the Pindarrahs and the Peishwa took place. In November 1817 the Guicowar government was called upon to augment the subsidiary force by two regiments of native cavalry and one battalion of native infantry of the complement of 1,000 men. He was also required about that time to furnish a contingent of his own troops to act with the forces then employed in the province of Malwa, which necessarily caused a very heavy expense. The supplementary treaty was made on the 6th November 1817: it not only provided for the augmentation of the subsidiary force, and the cession of all the rights which the Guicowar had obtained from the perpetual farm of the Peishwah's territories, subject to Ahmedabad, but for his highness maintaining at all times a force of 3,000 horse, to be paid by himself and mustered by the resident or his agent, and to act under the command of the officer commanding the subsidiary force wherever employed. As far as concerns the debt guaranteed by Colonel Walker, I may say that it was entirely discharged, although when the honourable Mr. Elphinstone visited Baroda in 1820 and 1821, he found the state encumbered with a heavy debt, created chiefly by the Pindarrah and Mahratta war of 1817, and other causes which will be found reported in the public despatches. Subsequently to my departure from India, I have understood that Mr. Elphinstone had directed the resident to withdraw from all interference with the internal affairs of the Guicowar state, and placed in the Guicowar's hands the uncontrolled power of his dominions. Having arranged that the rajah should pay within seven years the debt then existing, it was discovered on the expiration of that period, that the debt was increased very considerably from the rapacity of the rajah, who had diverted the resources of the country to his own coffers: he was required in 1828 by Sir John Malcolm, who had succeeded Mr. Elphinstone in the government of Bombay, to adhere to the engagements he had contracted in 1820–21, and in consequence of his manifesting no inclination to do so,

Sir

Major *Carnac*.
2 March 1832.

Sir John Malcolm had deemed it proper to sequestrate, in March 1828, a portion of his dominions for the liquidation of the debts for which the Company were responsible. He also required him in 1830 to provide the funds for the payment of the contingent of horse stipulated for in the supplementary treaty, which having persisted in refusing, these troops have consequently been maintained by the East India Company, and further territory sequestrated for their maintenance. These troops are now employed under the orders of the commissioner of Guzerat, Sir John Malcolm having abolished the residency at Baroda; the territories sequestrated have been placed under the management of one of the late ministers of the Guicowar, subject to the supervision of the commissioner, whose residence I should state was fixed in the city of Ahmedabad. No alteration has taken place in this state of affairs up to the present time. The revenue of the ceded territories, on account of subsidy, amounted in the whole to about 27 lacs, as realized by the native government, and the gross amount of the remaining revenue of the Guicowar state was upon an average something more than 70 lacs.

494. What proportion should you conjecture that the two successive sequestrations of territories produced of the rajah's whole revenue?—I have no means of knowing exactly the amount of revenue derived from these sequestrations, but I believe the revenue at the disposal of Seeagee Row, the present rajah, divested of claims guaranteed by us for personal stipends and pensions, does not much exceed 20 lacs. I should imagine that the value of the sequestered territory is rather more than that of the territory ceded in subsidy.

495. You mentioned some territories of the Peishwa and the Guicowar, they were chiefly in Kattywar, were they not?—On the conquest of Guzerat by the Mahrattas, the states of Kattywar (composed principally of Rajpoots) and the principality of Junagur (the only remnant of Mogul power at Guzerat) were in a state of independence. On the decline of the Mogul empire, incursions were made annually by the Mahratta forces, which levied what sums they could obtain from each of these chieftains, and in instances of resistance, which were very general, it was their practice to devastate the open country. On the Mahratta power being established in Guzerat, these states were willing to compromise for a fixed tribute: the larger portion of this tribute was allotted to the Peishwa as the head of the Mahrattas, and the smaller to the Guicowar, then the local governor of the whole province. The Guicowar tribute was afterwards fixed by Colonel Walker, and amounted to something less than four lacs of rupees, and that of the Peishwa (subject to his Soubah of Ahmedabad) to more than six lacs. The tribute to the Guicowar is included in what I before stated as the average amount of his revenues.

496. And with respect to the tribute paid to the Peishwa, what has become of that?—It became the right of the East India Company, by virtue of the conquest of the Peishwa in 1817.

497. What was the province of the Company's territory which adjoined the Guicowar's country before 1802?—The possessions under the presidency of Bombay were extremely limited in the year 1802; the only possession subjected to it was the town of Surat and the circumjacent country, obtained in 1800 from he nawab of that place, and the island of Salsette.

498. What opinion have you formed from your observation, of the condition of the people in the Guicowars and the Company's territories?—As long as the British resident was associated with the Guicowar government, I consider its subjects to have been in quite as prosperous a condition as any of those belonging to the Company: this will, I think, be corroborated by the reports of the governor, Mr. Elphinstone, on his first visit to the province of Guzerat.

499. During the time of the commission of government for the whole of the Guicowar territories, the resident interfered as generally in the territory left under the nominal authority of the rajah as in the ceded or sequestered territory, did he not?—The resident had no concern with the territory ceded; and the sequestered territory is, as I have already explained, under the charge of the late minister of the Guicowar, subject to the control of the political commissioner.

500. Can you state what system of government was adopted on our acquiring the Deccan?—We adhered as nearly as possible to the system we found; but in subsequent years, I have been informed that it has been deemed advisable to introduce the courts of adawlut, and the Company's judicial regulations.

 501. What

Major *Carnac.*
2 March 1832.

501. What was the system of the native government?—The mamlutdars or farmers of districts were the chief local authorities; judicial and revenue powers were vested in them, subject to the control of the prince or his ministers, which was very irregularly exercised, and seldom but on urgent occasions.

502. Has the Deccan improved since it came into the possession of the Company?—I do not believe that it has equalled the expectations which were entertained on our first possession of it; the revenue derived from the country has fallen short of anticipation; but much of this has arisen from the depression of agricultural produce.

Jovis, 8° die Martii, 1832.

SIR FRANCIS VINCENT, IN THE CHAIR.

Mr. *William Chaplin,* called in; and Examined.

Mr. *Wm. Chaplin.*
8 March 1832.

503. WILL you have the goodness to state how long you were in the Company's service?—I have been in the Company's service 26 years.

504. In what parts of India were you?—I was in several parts of India. I was originally employed for a short time in the Northern Circars; I was then appointed registrar under Colonel Munro, in the ceded districts, in which situation I remained about a year and a half. I was then promoted under him to a subordinate collectorship, a situation which I held for about a twelvemonth; and upon Colonel Munro's departure for England, I succeeded to the charge of the particular ceded districts of the Cudapa division. About a twelvemonth afterwards, I was transferred to the other division of the ceded districts, in which situation I remained till the year 1818, when I succeeded Sir Thomas Munro in the charge of the Southern Mahratta country; there I remained for about a year and a half, as principal collector and political agent, when I succeeded Mr. Elphinstone as sole commissioner of the Deccan, on his appointment to the government of Bombay; and the administration of the Deccan I held for about six years, till I returned to England. I returned to England about five years and a half ago.

505. Will you have the goodness to state your observations upon the subsidiary system during your residence in the Deccan?—I myself was never employed as a political resident at any foreign court, and had never personally any opportunity of seeing the effects of the subsidiary system.

506. You were chiefly collector, I think?—I was general superintendent in the Deccan.

507. You have never been much resident at the courts of any of the native princes?—No, I have never resided at any of the courts of any of the native princes.

508. Was there any great improvement observable in the condition of the natives?—After we had charge?

509. After you had charge of it?—Yes, there was considerable improvement; there was a gradual extension of cultivation, and a great improvement of revenue.

510. And the condition of the natives themselves, they had greater security of their persons and property?—Their persons and property were more secure unquestionably under our rule than under the Peishwa, which had been a system of mismanagement for some years previous to our getting possession of the government. The Peishwa's system of government for several years past had been as bad as possible; the districts had been farmed out to managers, and again subrented by them to under-managers; nothing could exceed the misrule that had prevailed for several years; but that is not to be attributed to the subsidiary allowances, but rather to the propensity to disorder which prevails in all the native states.

511. That is to be attributed to the native princes?—Chiefly so; because the system of misrule had commenced before our subsidiary treaty had been formed with the Peishwa.

512. You had no opportunity personally of observing the effect of the subsidiary system?—No, I had not.

513. Were there courts of law established in the conquered territory?—There were

Mr. *Wm. Chaplin.*

8 March 1832.

were no regular courts of law established for three or four years after we took possession of the country; the judicial affairs were conducted by the collectors and revenue officers under my superintendence.

514. Since then regular courts of law have been introduced?—Yes, they have.

515. Had you an opportunity of observing the condition of other neighbouring countries under the dominion of native princes, as compared with the territory in which you served?—I had an opportunity of observing the management of the countries of several of the native chiefs which were immediately under me, particularly the Putwurdun family.

516. That I believe was a favourable instance of native government?—They were in a particularly prosperous condition, and very well conducted.

517. Although you were not in the courts of any of our independent alliances, you must have heard a great deal of current opinion with respect to the subsidiary system, I should think?—I have heard a great deal of opinion certainly.

518. What was the particular objection to it?—The objection was that they tended to impair the vigour of the native government, and destroy the independence of the princes, and gradually to bring those native states under our subjection; that was considered to be the effect of those native alliances. I am myself disposed to think that the evils that have been too exclusively ascribed to the alliances rather than the misrule, ought to have been ascribed to the misrule.

519. Did it appear to you that the inhabitants of the country regretted their former system of government?—The upper classes, I think, unquestionably regretted their former system of government.

520. With regard to the great bulk, I should think it had little effect one way or the other?—I conceive the lower orders were rather favourable to the change of government, as it gave them greater security, and made them less liable to exaction.

521. It was conducted with more regularity?—Yes, it was.

522. Do you apprehend that any cause of apprehension exists to the Company from the discontentment of the upper classes in these ceded districts?—It has been the policy of our government, since we have had possession of the Deccan, to conciliate the upper classes and allow them almost the whole of the privileges which they enjoyed under the former government, and therefore they have no great reason to be discontented; but one may fairly conceive that they must feel that they are under foreign rule, and that they are excluded from all the higher offices of government, and therefore in a degraded condition.

523. Your observation would apply principally to those territories that were under the dominion of the Hindoo princes; it would not apply to provinces under the dominion of the Mahomedan?—It would apply to all, I think.

524. Do you think it would apply equally to the country under the dominion of the Mahomedan as of the Hindoo?—The Mahomedans are more assimilated to the native Hindoos than we were. They would also feel the subjection to the Mahomedan government.

525. All offices were open to the natives under the Mahomedan rule?—They were; almost all offices were open to the native Mahomedan.

526. Does not the effect of the partition of property lead gradually to the entire subversion of all hereditary aristocracy in India?—It has, unquestionably.

527. Is not that very much increased by there being no lines of employment open to them, by which they could accumulate property?—Unquestionably, I think that is very much the case.

528. Do you apprehend that the force necessary for maintaining obedience in the conquered districts is kept up at a less expense than the subsidiary force in a district of equal extent?—I have never had an opportunity of forming a comparison between the two.

529. Do you know whether the expense is less to the Company?—I am not able to answer that question with any sort of accuracy.

Martis, 27° die Martii, 1832.

H. GALLY KNIGHT, ESQUIRE, IN THE CHAIR.

Mr. *John Crawfurd,* called in; and Examined.

VI. POLITICAL or FOREIGN.

Mr. *John Crawfurd.*

27 March 1832.

531. WHAT political stations did you fill in India?—I was first, from 1811 to 1817, in various political situations in the island of Java, during the British occupation of that colony; I was resident at the court of one of the native princes, called the Sultan of Java; and I went afterwards on a mission to Siam, and Cochin China, which was of a commercial description. Afterwards, I was British resident of the new commercial settlement of Singapore; I was in that situation for a period of about four years. I was then a commissoner in the Burman country, and latterly envoy to the court of Ava.

532. Is that your letter of the 24th of February 1832, Mr. Crawfurd?—I have written my opinions in that letter which has been delivered in. I beg to refer to that as my evidence.

See Appendix.

[*The Letter is delivered in.*]

Jovis, 23° die Februarii, 1832.

THE RIGHT HON. CHARLES WATKIN WILLIAMS WYNN, IN THE CHAIR.

Colonel *J. Baillie,* called in; and Examined.

Colonel *J. Baillie.*

23 February 1832.

533. WHAT diplomatic situation have you filled under the East India Company?—I filled during the period of four years, from 1803, the commencement of the Mahratta war, till the middle of 1807, the office of Political Agent to the Governor-general in the province of Bundelcund; and from that period till my return to England in 1815, the station of Resident at the court of Lucnow.

534. During that period had you an opportunity of tracing the character and effects of the subsidiary system?—From my political situation and duties at Lucnow, at the court of the sovereign of Oude, with whom a subsidiary engagement subsisted, I had necessarily an opportunity of tracing the origin and character, and marking the general consequences of that system.

535. Will you be so good as to detail to the Committee the observations which occur to you upon it?—I should say of the subsidiary system, that I have always viewed it as just and expedient; if not indispensable in its origin, as natural and necessary, I may add, with some exceptions, wise and liberal in its progress; and in its consequences, according to circumstances, occasionally beneficial and occasionally injurious to the interests of the protected state; meaning, thereby, however, the sovereign or head of the state, rather than the people; the government of the protected state rather than the mass of its population. I should say further, that whatever may be the difference of opinion regarding the original character and present tendency of that system in its practical operation, I consider the abandonment of it to be quite impossible now, without hazarding the subversion of our empire in India by a more rapid transition than that of its rise.

536. At what period did the first subsidiary engagement take place with the state of Oude?—That is a matter of history, but I believe the date of the first subsidiary treaty between the British Government and the state of Oude was during the time of the vizier Shoojah-ood-Dowlah, about the year 1765. By that treaty, if I mistake not, a small detachment of our troops was provided to be stationed near the person of the prince, and a brigade stationed in his dominions.

537. Was that intended as a permanent treaty, or merely for temporary purposes?—Unquestionably a permanent treaty.

538. Will

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538. Will you state the progress of the subsidiary system in Oude?—I am not aware of any alteration in the arrangement established by treaty with the vizier Shoojah-ood-Dowlah, until the death of that prince, when on the accession of his son Asûf-ood-Dowlah, I think in 1775, a considerable pecuniary subsidy was granted to the Company for the maintenance of a large body of troops to be stationed in the vizier's dominions, under the command of British officers; and that treaty continued to subsist, with occasional modifications, till the year 1798, when Sir John Shore (now Lord Teignmouth), on the deposition of Vizier Ali, and the substitution of Saadut Ali Khan in his stead as the sovereign of Oude, contracted an alliance offensive and defensive with that prince, under which the pecuniary subsidy was greatly increased, and a stipulation introduced which placed a further augmentation of the British military force in Oude at the discretion of the Company's government, and bound the vizier to increase the pecuniary subsidy in proportion to the augmentation of force, as also, in the case of arrear in the regular payment of the subsidy, to furnish such security as should be satisfactory to the British Government. Under the provisions of that treaty, our political relations with the state of Oude continued without alteration till 1802, if I mistake not, during the administration of Lord Wellesley, when some arrear in the payment of the subsidy, and a just apprehension on the part of Lord Wellesley of essential injury or inconvenience to the British Government from the state of the vizier's government and country, induced his lordship to propose to the vizier a new subsidiary treaty, by which a great territorial cession should be substituted for the pecuniary subsidy, and other rights of interference on the part of the British Government in the concerns of Oude should be established; and that proposition (to the acceptance of which an alternative having been offered, the justice of which may be questioned, namely, the total abdication of the sovereignty of Oude by the vizier, and his retirement from the cares of government with an allowance for the support of himself and family) having been finally acceded to by the vizier, a treaty was accordingly concluded in the month of January 1802, by which a moiety of the vizier's dominions was ceded in perpetuity to the Company, and some new obligations were imposed upon the sovereign of Oude, for a detail of which I refer to the treaty. Such is the nature of our present relation with the state of Oude. The result of that relation has unquestionably been continued misgovernment on the part of the sovereign, and oppression of certain classes of the people, which however may perhaps with justice be ascribed to the inefficient exercise of the legitimate right of interference possessed by the British Government under the last-mentioned treaty, rather than to any inherent quality in the general system of subsidiary alliances, or to the effect of that system in particular as regarding the state of Oude.

539. Have the subsidiary engagements superseded all other military force maintained by the king of Oude, or does he employ any force in addition?—By the last treaty with the sovereign of Oude the number of his own troops was limited to, I think, four battalions of infantry and 2,000 horse; but that the treaty will show. I should have said that the last treaty of Lord Wellesley was meant to supersede entirely the necessity of the vizier's maintaining a force of his own, by furnishing an ample force for his protection.

540. Then he is not subject to a contingent force?—No.

541. When Lord Wellesley proposed that alternative, the abdication of the vizier, did he intend to take the territory for the Company, or to give it to some other person?—To take on himself the government of the country, to administer the government on behalf of the East India Company.

542. The vizier was considered a dependent of the Mogul, was not he?—Yes; nominally a servant of the empire, but always independent of the emperor since the commencement of his alliance with us, and ultimately declared to be even nominally independent of that sovereign, by an act of the British Government during the administration of Lord Hastings, who permitted and encouraged the vizier to assume the title of sovereign.

543. Was that with the concurrence of the Mogul?—Certainly not.

544. He is now called King of Oude?—He is.

545. In fact, we freed him from his allegiance?—Yes; but the allegiance has been almost entirely nominal ever since our political connection with Oude, except in its very beginning.

546. What has been the effects of the subsidiary engagement, as far as regards the sovereign of Oude, as to relieving him from all the cares of government: has not the resident assumed all the powers of government?—It has certainly relieved him

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him from most of the cares, and almost all the charges of government? but I am not aware that the resident has ever assumed any of the powers of the government, nor interfered with them in any respect beyond the most limited sense of the provisions of the subsidiary treaty. I cannot, perhaps, better explain the immediate effects of that treaty, as regarded the vizier's power and wealth, than by stating, that whereas at the date of the treaty the state of his treasury was such as to occasion a great arrear in the payment of the subsidy to the British Government, there being a load of public debt besides, and although by that treaty one half of his territory was ceded to the British Government, yet at the period of his death, which happened when I was minister at his court, in the year 1813 (11 years after the date of that treaty), his treasury was ascertained to contain a sum of not less than 13 millions sterling, realized from half his original territory during a period of 11 years. It is obvious, therefore, that he must have derived considerable advantage in one respect at least from the stipulations of that treaty.

547. In what manner had that revenue been collected?—In a variety of ways, not altogether creditable, I fear, to the character of the sovereign.

548. Had it been collected under the influence of the British force?—Certainly not altogether, though the British force was frequently employed in assisting the collection of the revenue.

549. Was there not a case in 1810 where the collection of the revenue was enforced by the subsidiary force?—It was always enforced when it was necessary so to do, under an express provision of the treaty by which we are bound to protect the state of Oude from foreign invasion and internal commotion; and therefore every resistance to the authority of the prince must be put down by our assistance.

550. Do you apprehend so large a sum could have been collected by the sovereign of Oude, but under the terror of the employment of the British force, if necessary, to collect it?—The great amount which I have stated to have been found in the treasury of the vizier cannot all be supposed to be the realized revenue of his dominions during the period of 11 years, but unquestionably was partly the result of extortion practised by himself, not from the general population of the country, but from wealthy individuals connected with his person and government, over whom at all times he exercised an uncontrolled authority, except in particular cases, where the subjects of his government or the relations of his family having become by particular circumstances the objects of especial regard to the British Government, and entitled to claim its protection, were protected from the extortion of their sovereign.

551. You have stated he exercised an uncontrolled power; supposing the subsidiary engagement had not existed, might not that have been controlled by the terror of insurrection or resistance on the part of his subjects?—It is possible that the government of Oude might have changed its possessor several times during the period of its connection with us, if that connection had not subsisted, and general commotion or rebellion might thus have been productive of much worse effects to the country than any that can possibly be ascribed to the effects of the subsidiary alliance.

552. But does not the fear of insurrection or resistance, in fact, operate as a control over the native princes in their natural state, when the British Government does not interfere to protect them?—It may have that tendency certainly in some cases, while, on the other hand, the fear of British interference may produce a similar effect to a still greater degree.

553. During the period that you exercised the functions of resident, did it appear to you that the sovereign interested himself more or less in the concerns of his government, in consequence of the subsidiary alliance?—The vizier, Saadut Ali, was a person of extraordinary talents and powers of mind, although those were unhappily perverted to the gratification of the leading passion of his mind, avarice; but unquestionably his time was very much occupied in and devoted to the management of the concerns of his government.

554. Is not the general effects of the subsidiary system to direct the minds of the native rulers rather to increase their own private treasure than to consult the general welfare of the country?—I am not aware that it can be justly said to have generally that tendency, inasmuch as the predecessor of the prince to whom I have referred, though certainly inattentive to all the concerns of his government, was also constantly poor and labouring under the pressure of debt, without any accumulation either of public or private treasure; while, on the other hand, the condition of his successor affords an example of the contrary tendency, namely, of

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great attention to the concerns of his government, and also of great accumulation of wealth.

555. Has the king of Oude two separate treasures, a private and public treasure?—I believe not. I never understood there was any separation.

556. Have not some of the native rulers?—I should say not, as far as my observation or knowledge extends.

557. Was the interference of the resident ever exercised to relieve the inhabitants of the country from any oppression or extortion?—Constantly; on every necessary occasion, as far as his power extended.

558. Was his right of interference recognised to the extent of making him a medium between the prince and his people, so that they both referred to him as to their natural protector?—That question, if I understand it right, may be answered affirmatively in only a limited sense. The immediate relations and other subjects of the vizier, who had from particular circumstances on certain extraordinary occasions established claims to the protection of the British Government or to its mediation with their sovereign, naturally, on all occasions when necessary, appealed to the British resident for protection, and his right of interference in their behalf was recognised by the vizier; but with that exception alone, the resident could never be considered as a medium of intercourse between the people of Oude and their sovereign.

559. Did you find the necessity for that interference gradually and unavoidably increased?—The number of persons entitled to the mediation of the British Government, as above explained, was fixed either by treaty or by occasional conventions between the two states, and therefore was not subject to increase, but rather to diminution, except in cases where large families succeeded to individuals, and the number of claimants was increased though the subject of interference remained the same. As for example, a person entitled to British protection, whose pension was guaranteed to him for his life and to his descendants after him, if he died and left a number of children, the number of claimants or protected persons was increased, as a distribution of his pension must have followed, and the arrangement of that distribution was a matter generally settled between the prince and the British minister, that is, between the power from whom the stipend was derived, and the representative of the power who guaranteed it.

560. The Committee wished to have directed the question to the interferences of the British Government in the internal concerns of the government of the country, whether that did not increase the necessity for interference?—The necessity for interference must always in a great measure, if not exclusively, depend on the character of the prince. If his demands from his subjects be just or unquestionable, or if they be submitted to without resistance or appeal, no interference on the part of the British Government can ever take place: it is only in cases of resistance on the part of the subject, and demand of assistance by the prince, that our interference can ever be exercised.

561. Do you mean that the interference of the resident in the internal concerns of the country is confined to cases in which the people resist or object to the payment of revenue?—In my own case, I should say positively that it was. Cases of individual appeal from subjects or dependents of the British Government residing in the territory of the vizier, may occasionally have required my interference, but that was of a different nature from the interference to which the question refers.

562. But the resident interferes in no other part of the internal administration?—No; only in the cases which I have stated.

563. Can you state to us the beneficial results which in any instance have followed the exercise of your interference?—I have no hesitation in stating, that during the period of my residence at Lucnow many cases of injustice and extortion on the part of the vizier and his subordinate functionaries, in the collection of the revenue and otherwise, were either entirely prevented or greatly diminished in their effects.

564. Will you state more in detail what the interference was to which you alluded?—In every instance of an application from the vizier for the aid of the British troops, either to enforce a demand or to quell an insurrection, it was my duty, if I had any doubts on the subject, first to ascertain as nearly as possible the true cause of the resistance complained of, and to submit the result of my inquiry for the consideration of the prince, before proceeding to employ a military force in support of his authority. In many cases my representations were productive of

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beneficial results; on some occasions the vizier was less disposed or indisposed to listen to my representations, and the result was necessarily different.

565. You have mentioned that there was no other interference in the internal administration than when application was made for assistance in collecting the revenue; did the resident never enter into discussions with the sovereign as to a reform of the expenditure or diminution of his expenditure?—Never, to my knowledge, as to his expenditure. The great question of a general reform in the vizier's government, which was agitated between him and me for several years, as may be seen in the Oude Papers, was of a different nature entirely from that of the question of his expenditure.

566. Was it not the practice with the residents at the other native courts?—Not to my knowledge, nor do I see how it could be so, except in the supposed case of an arrear of subsidy.

567. In most instances have our subsidies been changed into cessions of territory?—They have.

568. In which case all interference on that head is out of the question?—Yes.

569. If any serious rebellion had taken place in consequence of a very gross act of oppression, should you as resident have felt yourself at liberty to refuse giving your influence to suppress it, or to refuse to allow the troops at your disposal to act?—Certainly not.

570. However gross the oppression might have been?—It was the duty of the British Government, under the stipulations of the treaty, to put down any actual rebellion without stopping to consider either its remote or proximate cause; but in all the ordinary cases of a demand for assistance in the collection of the revenue, I should have felt it my duty to inquire into the causes of resistance, and if possible to suggest a remedy without the employment of military force.

571. If you conceived the enforcement of the claim to be decidedly unjust, should you have thought yourself at liberty to refuse the assistance of the subsidiary force to collect it?—I should have stated the case to the Government in all its details, and have required the order of Government before I proceeded to comply with such a requisition for the employment of the subsidiary force.

572. Has there ever been any case within your knowledge in which such a requisition has been refused to be complied with?—The volume of Oude Papers, comprising my correspondence with the Government during the time I was resident, contains several of the cases referred to.

573. Are the instructions given to residents very precise, or is there a considerable latitude allowed to them?—It is impossible generally that they should be so. I have stated in my written answer to one of the questions proposed by the Board of Control, as nearly as I could, what is the nature of a resident's duties, and I beg to refer to that statement in answer to this question.

574. Will you refer to some of the cases contained in that volume?—There are several cases of the nature referred to in these Papers, and in one page, accidentally opened at this moment, I see an extract from a letter of mine to the vizier, in answer to a requisition for the aid of troops, which shows the nature and extent of the interference that was exercised by me on that occasion.

575. There was also the proposal of appointing an officer of your own selection to conduct the inquiry proposed?—Yes, on that occasion.

576. Would not that be taking the patronage out of the vizier's hands?—So it was considered by the vizier, and therefore refused, and immediately abandoned by me.

577. A very sudden emergency might happen, in which it was impossible to refer to the Government; in that case the resident would consider himself bound to support the reigning prince under all circumstances whatever?—Unquestionably.

578. In short, the vizier is completely relieved from all fear of deposition?—Completely so.

579. Is there not usually an article in the treaties restricting the prince from employing the subsidiary force in the collection of the revenue, or in any part of the civil administration?—No; I am not aware of any such stipulation.

580. Not a soldier can move without the orders of the resident?—No, not of the subsidiary force.

581. You have mentioned the increase of the public treasure during this period; did it appear to you that the internal condition of the country derived an equal improvement during that period?—I should say not. I should say that there has been little or no improvement in the state of the country since I have known it; in

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in that portion of the country I mean which remains under the government of the vizier.

582. Has there been deterioration?—I should say that there must have been since my return to this country; indeed I have reason to know that the state of the country is much worse than it was in my time, or at any antecedent period; but that I ascribe to the want of an efficient interference on the part of the British Government.

583. Did you consider that the country had at all improved during the time of your residence?—In some districts which were committed to able management, I did perceive a manifest improvement in the state of the country. I cannot say any great amelioration of the condition of the inhabitants, but an improvement by increased cultivation of the soil, and augmented sources of revenue.

584. Did you, during that period, conceive the general situation of the inhabitants to be ameliorated, deteriorated, or stationary?—Stationary, I should say.

585. Was the condition of the ceded territory improved since its cession?—Very greatly.

586. Is the non-efficient interference of the British residents attributable to the restrictions imposed on them?—No doubt.

587. Then a more efficient interference would amount to their assuming the whole powers of government?—Not altogether that; much must depend on circumstances. It is impossible to suggest a perfect remedy for any evil the exact nature and extent of which are unknown. I should say that an efficient interference is unquestionably preferable to the vacillating and inefficient system which has sometimes prevailed in the state of Oude, to which of course I apply my observation.

588. Will you describe some of the occasions to which you allude as examples of vacillating interference?—There are a few striking examples of what I mean afforded in this collection of Papers. It will be seen, that on several occasions of requisition for military aid to enforce the collection of the revenue, a doubt had naturally arisen in the mind of the resident respecting the justice of the demand, inasmuch as the employment of military force for the collection of revenue is entirely unknown in our own dominions. In consequence of that distrust, the resident naturally felt himself bound to inquire into the circumstances which produced the requisition for military aid, and finding his suspicions confirmed by the result of his inquiry, he suggested to the prince a mode of accommodation short of the employment of military force. The adoption of that recommendation was generally productive of the desired effect; whereas the rejection of it necessarily required on the part of the resident a statement of the facts of the case for the consideration and instructions of the government. In some instances the efficient support which was afforded to him by direct remonstrances on the part of the Governor-General, or otherwise, occasioned an acquiescence in his suggestions; in other cases that support was withheld, and in consequence the influence of the resident was necessarily diminished, and effects more injurious were produced than might have been the consequence of his immediate compliance with the requisition for military aid. Examples, however, of improper interference may also be supposed, and perhaps discovered in these Papers, on the part of the resident himself, without any reference to the government; and thus it may be said that the degree of interference to be exercised, and the result of that interference, must depend at all times partly on the character of the resident, partly on the conduct of the government, and mainly on the character of the prince.

589. You never had an opportunity of seeing the effect of native government by means of a deewan?—In my own personal experience I never had, but there were two ostensible ministers of the vizier's government supported for a series of years by Lord Cornwallis, under whose administration the state of the government and people of Oude was certainly not better, and I should say generally worse than at any other period of my observation.

590. In short, it is not a system you approve of?—I cannot speak of the two systems comparatively from my own experience. There are certainly some examples of good government by means of a deewan, of which I can speak historically; for instance, the deewan of Mysore.

591. Which is very much attributable to the personal character of the minister?—Yes.

592. And that was during a minority?—Yes.

593. Do you conceive the internal state of the districts which were ceded to the

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British Government to differ materially from the rest of the territories?—Yes; I have no doubt whatever of the great amelioration of the condition of the people, the great improvement of the lands, and a very great increase of revenue, which have arisen under the Company's management.

594. Is it your opinion that the subsidiary system generally tends to produce good or bad government, as far as regards the condition of the people?—I am very doubtful, I confess, of its tendency to produce either the one or the other. The principal objection which has been stated to our subsidiary alliances in general, is the great inconvenience and embarrassment occasionally produced to our government by the practical operation of those alliances; with regard to which I would observe, that to deny the existence of those embarrassments would be, in fact, to maintain the proposition that the cares and difficulties necessarily attendant on the government of a mighty empire, are no more than those which attend the direction of a commercial establishment; or that it is as easy to govern the vast empire which we now hold in India, as to superintend our original commercial concerns. But, on the other hand, to infer from the existence of such embarrassments as those, that the subsidiary system in itself is either unjust or impolitic, or that the disadvantages attending it counterbalance the benefits which it has produced by contributing to the establishment of our empire and to the maintenance of public tranquillity in India, is, in my humble judgment, as extravagant as to maintain the other proposition.

595. You stated you were first employed in the province of Bundelcund?—Yes. We occupied that province in 1803, partly as a measure of defence against the confederated Mahratta states, and partly under the provisions of a supplemental article of the treaty of Bassein with the Peishwa. I was employed in conducting that occupation.

596. Were you with the Peishwa at that time?—No; Bundelcund is a province of Hindostan.

597. You can hardly speak to its effects there?—There is no subsidiary system there.

598. There is no subsidiary treaty existing with Bundelcund?—No.

599. Is Bundelcund now under our own dominion?—Yes.

600. Did you administer the government of the ceded territory, or were there agents from Calcutta?—The treaty of cession took place in 1802, and I became resident in 1807.

601. Does the resident administer the government of the ceded territory?—No, he has no connection with it whatever; it is under British rule, like the original dominions of the Company.

602. Is it your decided opinion, then, that the subsidiary system is the best which, in the existing circumstances of our Indian empire, can be adopted for its government?—I am decidedly of opinion that it cannot be totally abandoned without hazarding the subversion of our empire. In some instances, particularly with regard to the more remote and the more recent subsidiary arrangements, and more especially those with the petty states of Central India, it may perhaps justly, and if so, I think ought to be modified.

603. Our late subsidiary treaties have been more definite, have they not, with regard to interferences?—Yes, I believe so. The subsidiary treaty with the rajah of Mysore was in some important respects more definite than the original treaty with the sovereign of Oude; but I have no distinct recollection of the precise stipulations of any of the treaties referred to, except those which I have already described.

604. In what year did you leave India?—In the year 1816; I was nearly nine years resident at Lucnow.

605. Would your idea of an efficient resident be realized by giving him a seat in the cabinet or council of the prince, so that he should have a voice in his measures?—The prince to whom I was accredited had no cabinet nor council; there was no such thing during my residence at Lucnow. The government was purely despotic, in the person of the sovereign alone.

606. He has his leading minister, and he takes a part in the public business himself; would not it be as well to associate the resident with the sovereign and the minister; would not that be giving him an efficient control?—The present sovereign of Oude, has, I believe, an efficient minister, but I doubt the practicability of the suggestion, in the first place, and the efficiency of it, even if acceded to by the prince.

607. Did

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607. Did you not conceive yourself authorized under the treaty to interfere with your advice in every part of the internal administration of the state of Oude?—Certainly not in every part of the internal administration, if by that is intended the household concerns of the vizier.

638. That is, not with his private transactions, but an interference with the internal concerns of the country?—I should say not, unless my advice was desired, or until I became aware of some act of the government having a tendency to infringe the relations established by treaty; and here I beg again to refer to my description of the duties of resident, according to my conception of them, contained in the written answer to the questions of the Board of Control.

609. Under the treaty do you not conceive there was an express stipulation for the resident to offer his advice on every part of the internal administration of the country, and an engagement on the part of the vizier to act in conformity with his counsel?—In answer to that question, I must state that my conception of the rights and duties of the British Government and its representative at the court of Lucnow, under that particular provision of the treaty, was always more extensive than its interpretation by any of the governments which I served.

Mercurii, 30° *die Maii*, 1832.

THE RIGHT HON. CHARLES WATKIN WILLIAMS WYNN,
IN THE CHAIR.

Henry Russell, Esq., again called in; and Examined.

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610. IS there anything you wish to state to the Committee in addition to your former evidence?—There is one fact in my former evidence which I am desirous in the first instance of correcting; and after having done so, with the permission of the Committee, I should wish to take this opportunity of making a few additional observations on the subject of the subsidiary system. When I had the honour of attending the Committee before, I stated that the first treaty that could fairly be called a subsidiary treaty was that of Paungul, concluded with the Nizam in 1790, preparatory to Lord Cornwallis's war with Tippoo. The treaty of Paungul was not in terms a subsidiary treaty, though the conclusion of it was, in point of fact, the origin of our subsidiary relations with the Nizam. By the treaty of 1768 we had engaged to supply the Nizam with two battalions whenever he should require them: but he did not require them; and it was only when the treaty of Paungul was made, with a view to combined operations against Tippoo, that those troops were required by the Nizam, and furnished by us, which constituted the foundation of our subsidiary force at Hydrabad. Having in my former evidence laid stress upon the mischief that has been done by our subsidiary system, I am anxious to make a few observations respecting the circumstances under which we resorted to that system; the consequences which were likely to ensue if we had not done so, and those which would in all probability be produced if we were now to abandon it. At the time when Lord Wellesley concluded the treaty of Hydrabad in 1798, the power of Tippoo and the Mahrattas was unbroken. Tippoo's hostility against us was implacable: he was actuated by both political jealously and religious fanaticism, and would unquestionably have attacked us if we had not attacked him. The Mahrattas were alarmed at our progress, and would rather have assisted to overthrow than to support us. Bodies of disciplined troops, commanded by French officers and influenced by French feelings, were maintained by both Scindia and the Nizam; and Tippoo had to a certain extent adopted the same policy, though his jealousy of all Europeans, and his hatred of all Christians, prevented his allowing the French in his service to acquire the same influence which they had attained under other governments. The Nizam, who had been just defeated by the Mahrattas, and was afraid of a renewal of their attack, was compelled to look abroad for support; and if he could not obtain it from us, was resolved to seek it from the French. Under these circumstances, it was difficult for us either to

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to abstain from acting at all, or to act differently than we did. Our alternative lay, not between enlarging our possessions, and preserving them as they were, but between the abandonment of what we had and the acquisition of more. Standing still was out of the question; we were compelled either to advance or to recede: to advance was, as it has proved, to subjugate by degrees all the native states; to recede was to sacrifice our own power, and not only to throw away but to throw into the hands of our enemies all the fruits of our previous enterprize. We had no longer the choice of peace or war; our only option was whether we would attack our enemies at our own time, or leave it to them to attack us at theirs. A system of protracted defence was wholly incompatible with our position; it would have exhausted us by its expense, and have given our enemies that confidence, in their want of which our superiority mainly consisted. We had a choice of difficulties; and even now, with all the consequences before us, there is no reason to suppose that we should have fared better if we had pursued a tamer course. Whatever effect our measures may have produced upon the native states, they at least served the purposes for which we adopted them; they prostrated all our enemies, both Indian and European, and averted those dangers by which, if they had not been averted, we should unquestionably have been crushed. It is not easy to say what shape events would have taken if Lord Wellesley had rejected the overtures of the Nizam for a closer alliance, and abstained from making the provocations of Tippoo a ground of war. Things could not have continued as they were; a crisis had arrived in which some state or other must have taken the lead. India had, from long usage, become accustomed to acknowledge one dominant power, and if we had hesitated to take that character upon ourselves it would have been assumed by some of our rivals. The French, from their want of naval power, and the consequent inability to draw resources from their own country, could hardly have reached a higher position than that of auxiliaries: but although they could not have acquired so firm a footing as we have, they would still have prevented our acquiring any footing at all; and be the advantages that any European power can derive from an establishment in India what they may, they would have secured all those advantages for themselves. The struggle for supremacy would have been between Tippoo and the Mahrattas, and neither of them would have suffered us to retain what we had acquired; whichever had prevailed, whether Mahomedans or Hindoos, we should not, as a political state, have been tolerated by either. In the progress of events some enterprizing leaders might have established separate principalities, and some small states might have risen to consequence at the expense of their neighbours; but the probability is that the Nizam and other feeble princes would have disappeared, and that their territory would have been divided or contended for between Tippoo and the Mahrattas. Strong governments would have been substituted for weak ones; and after a process, which has been of too frequent occurrence in India to be looked upon as a very grave calamity, the people generally might have attained a degree of prosperity greater than we have been able to confer upon them, certainly in the protected territories, and probably even in our own. But although the people of India might have fared better if we had originally thought of them rather than ourselves, we could have promoted their interests only by the sacrifice of our own; and it by no means follows that it is now in our power to repair the mischief by the abandonment of our ascendancy. If we were to withdraw our control and protection now, in what condition should we leave the native states, and in what condition should we place ourselves? Though we may take from them what we have given, we cannot restore what we have taken away. Our control has been so long in force, and has been pushed to such an extent, that not a government is left capable of standing by itself. There is neither any single power to take our place, nor any number of powers to contend for it. The only bond that holds the political community of India together would be broken; the native states would fall to pieces from their own weakness, and become the victims of intestine commotion, or the prey of lawless plunder. The contagion once abroad, would spread in every direction; India would be a scene of universal anarchy and rapine; our own possessions would be invaded and distracted by the disorders that surrounded them; and we should find that our change of policy, instead of restoring the power of our allies, had been the destruction of our own. Peace and order, though they might be the ultimate, would be a distant result, and would be that order only into which anarchy subsides; India would have many a bloody struggle to undergo before she was at rest. It is now too late for us to recede, either with justice

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justice to other states, or with safety to ourselves. Whether we consider the interests of India, or those of England only, we must pursue the career in which we have advanced so far. It is vain to think of stooping from our ascendancy, or reviving among the native states that vigour which has been extinguished. Their decline is not to be arrested by any sacrifice we may make of our own power. They must proceed and complete their course; in spite of all that we can do to prevent it, they must fall successively into our hands, and partake at last of our downfall; of which, whether it be slow or sudden, violent or easy, the period will probably be hastened by every increase of our territory or subjects.

611. Can you state what, in 1798, was the opinion of the English authorities with respect to the system of policy adopted by the Marquis Wellesley?—I have not the means of speaking positively as to any orders which may have been transmitted on the subject from England. I apprehend that a general disapprobation prevailed of any measures likely to lead to an extension of territory, or to more intimate relations with the native states of India; but the position and designs of Tippoo at that time constituted a crisis which suspended all ordinary principles and orders.

612. Are you of opinion that it will be advantageous to increase our interference in the states of India, so as to give it a more direct character, or to continue the subsidiary system upon the best regulated plan possible?—I am afraid that where we have already contracted subsidiary engagements, we must of necessity increase our interference; but at the same time we ought to do what we can to check the extension of it, and to administer it in such a spirit as to give as little offence as possible to the officers of the native states whom it is intended to control, and by whose opposition, if we drive them to oppose it, its efficacy must be essentially counteracted.

613. Do you think it would be advantageous to increase it so as to give it a more direct character, or not?—It is almost indispensably necessary to increase it where it already prevails. I am afraid that much of the mischief that has arisen has been the result of an indecisive mode of exercising our interference; we have acted without any uniform principle, sometimes going beyond and sometimes falling short of the proper line.

614. Then your decided opinion is that, where it has already began, you think it must of necessity be increased?—Precisely so; I am afraid there are no means of curtailing it.

615. Does that opinion apply generally to India, or do you think there would be reason for distinction in the different states?—Generally to that part of India under the rule of native princes.

616. Should you say it applied to the Rajpoot states?—Our alliance is not of such long standing in the Rajpoot states, and therefore has not acquired so firm a hold; but I am afraid it will in the end be the same there as everywhere else. We have taken the native states generally under our protection; and one of the objects for which we are bound to exercise our interference, is to protect the people against their own sovereigns, as well as those sovereigns against external enemies.

617. Then it has not gone to so great a length in the Rajpoot states as in the other states?—Certainly not; it has not been so long in action.

618. Will you be good enough to state how long it has been in action?—It has been more or less in action since the war which took place in 1803. At that time we formed engagements with the Rajpoot states, which were subsequently abandoned; but they have since, after a considerable interval, been renewed.

Martis, 17° *die Julii*, 1832.

THE RIGHT HON CHARLES WATKIN WILLIAMS WYNN,
IN THE CHAIR.

Richard Jenkins, Esq., a Member of the Committee; Examined.

Richard Jenkins, Esq.
17 July 1832.

619. HOW far, in your opinion, have the principles of justice and expediency been adhered to in the general course of policy towards the Native States of India since 1813?—In answering this question, I shall confine myself to that field of politics with which I am chiefly conversant, viz. the last great advance of the subsidiary system, and

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and its justice and expedience, as connected with the war of 1817–18. The great powers of India unconnected with us by subsidiary alliances, in 1813, were Sindia, Holkar, and the Rajah of Berar. Our treaties with all of them, the result of their confederacy against us in 1803, were mere instruments of general amity. Their intercourse with one another was unrestrained; but they were bound to submit to our arbitration in all disputes with our allies. Sindia and the Rajah of Berar only had residents at their courts, but they were left perfectly independent in their internal concerns; all three had been sufficiently weakened to prevent them from endangering the existence of our empire by a new confederacy, and their strength was too equally balanced to lead us to fear the union of their resources in the hands of any one of them by conquest; whilst it was believed that a judicious system of internal defence, joined to the established reputation of our superiority in arms and policy, would avert the only danger we had to fear, which was the predatory incursions of the irregular bodies of horse scattered over Central India.

These expectations, however, proved fallacious, and partly the weakness and partly the insidious policy of the Mahratta powers, guided by their enmity to us, were the means of bringing upon us and our allies a succession of serious losses and expenses not inferior to those of open war. Between 1806 and 1817, besides other military charges of considerable magnitude which we had been compelled to incur, (two armaments, for instance, against Meer Khan, in 1809 and 1812,) to prevent the establishment of a predatory Mahomedan power in the Deccan, our own provinces had several times, and the dominions of our allies, the Nizam and Peishwah, incessantly been plundered by the Pindarries; and to guard against their ravages we were exposed to the annual burthen of extensive military arrangements on all our frontiers. The armies of Sindia and Holkar too were broken into different bodies, acting under the mask of independence of their nominal masters, though in real concert with their views, and had on several occasions violated our territories, and those of our allies and dependants.

The field for plunder was daily becoming exhausted in Central India and the Deccan, and year after year was distinguished by some extension of plundering expeditions; Hyderabad and Poonah, Surat, and Mirzapore even, no longer bounded them. The Carnatic to the south, and Cuttack and the Northern Circars to the east, felt their ravages, and vain were all defensive arrangements against an enemy whom no difficulties or distance could deter, no obstacles, natural or artificial, impede in their rapid career of plunder and devastation, which, especially in our provinces, was attended with cruelties and horrors that have hardly a parallel in history.

We had applied in vain to Sindia and Holkar to take effectual measures, with or without our aid, to repress the Pindarries. The only measures adopted by Sindia were directed to render their subservience to his purposes more strict and definite than they had lately become; to secure a share in the fruits of their depredations on us and our allies; at the same time covering his secret support of them by some show of zeal for their suppression, in order to prevent us, as long as possible, from taking our own measures. Finding, however, that we were not to be deceived by such demonstrations, he ratified our suspicions of his hostile dispositions by uniting them with his own army, and even assuming a tone of defiance during the Nepaul war.

Holkar's government was entirely in the hands of Meer Khan, who, we had certain grounds of knowing, was in league with the Pindarries; and the proceedings of Holkar's government, under the councils of that chief, with regard to those bodies of Pindarries who were acknowledged to belong to the Holkar State, were parallel with those of Sindia towards his portion of them.

The Rajah of Berar (Raghogee Bhoosla) was equally hostile in disposition with the other Mahratta powers; and whilst his weakness and perverseness had exposed us to dangers, through his position with reference to our rich provinces of Bengal, Behar, Cuttack, and the Northern Circars, as well as those of our ally the Nizam, to which his territories furnished an unmolested route to the Pindarries, he was not disposed to join with us in any efficient plan against those freebooters. It was not till his death, in 1816, that an alliance with the Bhoosla was effected. But the consequent advance of our troops to the Nerbudda, which at first alarmed the Pindarries, and if any defensive measures could have been effectual, would have kept them in check, in the end only served to aggravate the evil, by showing the futility of such measures, and rendering those freebooters bolder than ever.

Considering, then, the Pindarries as subjects of Sindia and Holkar, we had a right

Richard Jenkins, Esq.

17 July 1832.

right to demand their suppression at the hands of those chiefs, as well as restitution and reparation to ourselves and our allies, on pain of instant war; or if we found those chiefs unable to remove the nuisance, and as the same time too perverse to admit of our interference; still more, if we found them in league with the plunderers, as was the fact, we were justified in taking our own measures, and acting for them as they ought to act, according to our views of their duty, and of the plans requisite to place our interests on a permanent footing of security, in spite of any appeal on their part to treaties or to arms.

If, then, the justice and expediency were admitted, and indeed it could not be denied, of putting down the predatory powers, and providing permanently against their revival, it appeared that no half measures could be adopted, with any sort of justice to ourselves. The strong probability that existed of hostile opposition on the part of the Mahratta powers, singly or united, required us to put forth all our strength, and under such enormous charges as this would involve, we could not submit to be thwarted, or to be cajoled, by any of them, into anything short of a radical cure of the system. No military operations, based upon any trust in the assistance or good-will of those powers, would have been effectual to the destruction even of a tithe of the predatory bodies in question. The chiefs of Rajpootana and Central India, whose co-operation was essential, and who were anxious, as joint sufferers, to assist us, would not dare to do so, unless we guaranteed their future safety from the revenge, which could only be done by releasing them from the yoke, of the Mahrattas and Pathans. Nor had we a shadow of ground for anticipating any improvement in the native governments, great or small, who, during 10 years, had neglected, and even fostered, the growth of the predatory system, without the constant exercise of a close and vigilant control on our part over their future conduct. This could only be effected through a new system of treaties and military arrangements, supported by corresponding acquisitions of means, in territory, subsidies, or tributes, and uniting the States of Central India in one common bond of defensive alliances, under our supremacy. Such was the plan adopted by Lord Hastings in 1817. Under it, the spirit of predatory association has expired; our own dominions, and those of our old allies, have been allowed to flourish, unvexed by foreign invasion. The prosperity of Rajpootana and Central India has been resuscitated, and to this day they remain substantially in peace, both domestic and external; whilst, as far as I know, the occasional inconveniences and embarrassments which naturally attended such complicated concerns, have scarcely been a blot on the general happiness and good feeling of the rulers or inhabitants of those regions.

The contests with Holkar, the Peishwah, and the Bhoosla, were most important episodes in what is called the Mahratta and Pindarry war, but what was intended to have been purely a Pindarry war, until those princes identified themselves with the predatory powers. I have said before that resistance was anticipated from Holkar and Sindia; the latter, indeed, was only kept out of the field by the masterly military combinations of Lord Hastings: but no one could have foretold, without the imputation of unjustifiable distrust in their good faith and honour, the treacherous defection of our allies, the Peishwah and the Bhoosla, who had both suffered, and particularly the latter, from the Pindarries and the Pathans, most severely, for a series of years.

The whole course of these contests, in their origin, progress and consequences, are fully developed in the printed collection of papers relative to the Mahratta and Pindarry War; and their justification, as far as we are concerned, is therein so complete, in my opinion, that I will not attempt further to enlarge upon them.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE

ON THE

AFFAIRS

OF

THE EAST INDIA COMPANY;

AND ALSO AN

APPENDIX AND INDEX.

II.

Finance and Accounts—Trade.

Ordered, by The House of Commons, *to be Printed,*
16 *August* 1832.

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MINUTES OF EVIDENCE.

Lunæ, 20° *die Februarii*, 1832.

THOMAS HYDE VILLIERS, ESQUIRE,
IN THE CHAIR.

Mr. *James Pennington*, called in; and Examined.

II.
FINANCE.

Mr.
James Pennington.

20 February 1832.

1. YOU have been for some time past occupied in examining the East India finance accounts?—For the last two months a considerable share of my attention has been given to those accounts; previously to that time I had no knowledge of them.

2. What accounts have you had before you?—The finance papers presented by the King's command, and the continuation of them; the Reports of 1811 and 1812, with their Appendices, and the India budget accounts since 1810.

3. Have you found any material difficulty in understanding these accounts?—I found no difficulty in understanding the tabular statements of the revenue and charges of India; but on comparing the results they exhibit, with the augmentation of the India debt bearing interest, and the debt not bearing interest, I found so many apparent discrepancies as to render it extremely difficult, or rather impossible, to reconcile the one with the other. After many ineffectual attempts to discover the cause of these discrepancies, I found that the statements were to be regarded merely *as* statements, not as accounts; and that they do not furnish the means of accomplishing the object I aimed at.

4. Do you mean the increase and decrease of debt?—In comparing the result of the income and charge with the increase or diminution of debt, combined with the alterations which have taken place in the treasuries of India, and the advances made in England, I expected to have found that the results would have agreed with each other.

5. Do you mean that you expected the results to show whether there had been an increase or decrease of debt, according as the revenue was affected?—Not the revenue only, but all the income and outgoings of the Indian treasury.

6. Will you state further what course you then pursued?—I made out a *pro forma* statement, with the intention of showing how it appeared to me an account might be made out that would show in what way the state of the Company's affairs at one period was necessarily connected with their state at a subsequent period, by an intervening chain of receipts and disbursements. I was informed that such an account could be made out, but that it would be a work of considerable time and difficulty. At the same time, I was told I should be furnished with abstract statements of the cash accounts of the three presidencies in a very short time.

7. Did you obtain copies of these abstract statements, and did they enable you to overcome the difficulties you have mentioned?—Copies of the abstract statements were furnished; they did not enable me to overcome the difficulties I had previously experienced, but they enabled me, by collecting the items they contain, and arranging them under their respective heads, to arrive at the results that are stated in a memorandum which I believe has been submitted to the Committee.

8. Have you any reason to question the general accuracy of the finance statements?—I have no reason to question the accuracy of the statements, when considered merely *as* statements; but these statements are not accounts, and do not afford the means of ascertaining what is the actual condition of the Company's affairs at any one period, still less do they afford the means of checking the results by bringing them to the test of a balance.

9. Explain what you mean by statements?—My meaning will perhaps be best explained by an instance. Two statements may be drawn out with a view to illustrate the particular matters to which they relate, and each may contain items that are common to them both: if the results the statements exhibit were to be taken

Mr. *James Pennington.* 20 February 1832.

as matters of account, those items, it is obvious, would be taken twice over; they are statements, not accounts: or if a statement of the revenue and charge contained all the income and disbursements of the Treasury, I should call it an account; if it comprehended only part of the outgoings and the income of the Treasury I should call it a statement.

10. Did these actual amounts, stated to have been paid and received, appear to be actual payments, or only estimates of payments?—They are most likely actual payments; I am not exactly able to say that such is the case, but I have no doubt they are actual payments.

11. Did the heads of these statements correspond with the heads of accounts in India in the general books?—I apprehend these are only abstracts from general accounts, and not intended to fall exactly under the same heads of account as exist in the India books.

12. The results are rather consolidated than aggregated in these statements?—The English receipts and payments are sometimes consolidated rather than aggregated with the receipts and payments in India.

13. Do you think you have got all the accounts sent home from India to England; or is there anything yet to be brought forward from the time you commenced?—My investigation has been chiefly confined to the accounts since the commencement of the present charter.

14. In the answer to question 5680, in the Second Report, it is stated that the increase of the register territorial debt of India, from the commencement of the present charter to the 30th of April 1828, was 12,603,914 *l.*, to which if there be added the amount of surplus profits applied to territorial purposes, 4,923,020 *l.*, and the advances from the commercial branch, 3,184,000 *l.*, the amount will be 20,710,934 *l.* The territorial deficiency for the same period is stated to be 19,825,027 *l.*; the difference between these sums, 885,907 *l.*, remains to be accounted for, as an increase to the territorial assets since 1814; is this, in your judgment, a satisfactory account of the matter?—That is the only attempt at anything like a balance statement that I have yet seen. If it had been distinctly shown of what the 885,907 *l.* consisted, and that that asset was the necessary result of the circumstances stated in the question, I should then consider the explanation satisfactory; but when it is recollected that the balance in the Indian treasury in 1828, the period to which the question extends, exceeded the balance in the Indian treasury on the 30th April 1814, by nearly three times 800,000 *l.*, although that circumstance alone is not sufficient to invalidate the result, it is enough to induce a wish that it had been more satisfactorily explained, and more distinctly accounted for.

15. Did you take all the Indian treasuries, or one?—The whole of the Indian treasuries. The difference is stated to be 885,907 *l.*, to be accounted for by a supposed increase of territorial assets. If it had been shown that the increase was exactly 885,907 *l.*, that it was neither more nor less than 885,907 *l.*, it would in that case appear to be the necessary result of the conditions involved in the question, and the explanation have been satisfactory.

16. What was the first statement of stock by computation, laid before Parliament after the commencement of the present charter?—The first account of stock by computation, was to the 30th April 1815, in so far as respects England; and to the 30th April 1814, in so far as respects India.

17. What is the balance of the account?—The balance against the Company on the whole of the concern, 2,611,311 *l.*

18. What was the balance of stock by computation on the 1st of May 1813?—That account shows a balance against the Company of 7,773,493 *l.*

19. These accounts are drawn out in respect to India on the 1st May 1814 and on the 1st of May 1812; and with respect to England, on the 1st of May 1815, and on the 1st of May 1814, are they not?—Yes, they are.

20. By comparing the two with each other, there is an improvement in the general concern of upwards of 5,000,000 *l.* between 1813 and 1815. Can you account for this great improvement in that period?—I am unable to account for it. It appears to me extremely desirable that the principle on which the commercial property was separated from the territorial at the commencement of the present charter should be explained. In these two years the surplus revenue was not much more than 100,000 *l.* The more favourable appearance of the balance is far too great to be accounted for by the accumulation of surplus profits in so short a period of time. These accounts of stock by computation may both be right. It is certainly

desirable

Mr. *James Pennington.*

20 February 1832.

desirable to be able to account for the difference by a regularly balanced account, showing what occurred to produce it in the intervening period.

21. Did you inquire whether the principle of computation in 1813 and 1815 was the same?—I have no means of ascertaining that point. I apprehend it must have been the same, but I can only judge from what appears on the face of the printed statements laid before Parliament.

22. Do you not know in what items, either in the debtor or creditor side of the account, the principal difference appears?—In the accounts of stock by computation previous to the commencement of the present charter, the commercial debts and assets were not separated from the territorial; the results only, therefore, can be taken as the points of comparison.

23. Are we to understand that you saw nothing in the commercial profits of the Company that could warrant so great a difference as five millions, while the surplus revenue was only 100,000*l.*?—No; and hence the necessity of showing, by a regularly balanced account, in what way so extraordinary a difference was produced.

24. Have you looked at the commercial accounts laid before Parliament; there is one showing the profits from 1813 to the present time, and the account balances as nearly as possible with the sums that the territory owed to the commerce?—I think that statement commences in the year 1814, not 1813. In the account of stock by computation for 1814, the amount of commercial property is stated to be 17,482,521*l.* In the account of stock by computation for the following year, 1815, the amount of commercial property is stated to be 20,302,764*l.* These two amounts may both be very correct, and I have no reason to suppose they are not so; but it would be very desirable to know in what way the commercial property had increased in the course of one year to the extent of 2,800,000*l.* and upwards. In 1813, the commercial property was not separated from the territorial; the year 1814 was the first in which that separation was made. There is therefore no means of comparing the commercial property in 1813 with the commercial property in 1815.

25. You have found nothing in the accounts you had before you to explain that difference?—No. I understand that a balance statement is in the course of preparation at the India House, which it is likely will clear up all doubts and difficulties. All that is wanting is a balanced statement of accounts.

26. Have you seen a letter dated the 9th of February, addressed by the Board of Control to the India House, requesting certain statements?—I apprehend I have; but I am not sure as to the date.

27. Is this the letter [*handing it to the witness*]?—I have seen this letter.

28. Have you also seen this [*showing another*]?—Yes.

29. Do you conceive, if the accounts therein required were furnished, you would be able to make up a series of accounts in the manner you have stated to the Committee?—I think I should.

Jovis, 23° die Februarii, 1832.

THOMAS HYDE VILLIERS, ESQ. IN THE CHAIR.

Holt Mackenzie, Esquire, called in; and Examined.

Holt Mackenzie, Esq.

23 February 1832.

30. IN what year did you go out to India, and what public situations have you successively filled up to the period of your leaving it?—I went out in the year 1808, and after being about a year in the College, I was attached to the Sudder Dewany and Nizamut Adawlut. In that court I was employed first as an assistant, then as a reporter of civil and criminal cases, then as deputy registrar and translator of the Regulations into the Persian and Bengalese languages. From that office I was appointed Territorial Secretary to the Government. In 1826, I went up to the Western Provinces, as Secretary to the Governor-general. I remained about 20 months in the interior, for a considerable part of which I was separated from his Lordship, being appointed a supernumerary member of the Board of Revenue; and during the whole time, it was specially made my duty to communicate with the local officers of Government, upon the subject of the internal administration of the country,

Holt Mackenzie, Esq.

23 February 1832.

country, and particularly regarding the settlement of the land revenue. I have visited most of the districts of the Western Provinces, and Benares and Behar, but I never had charge of a district. During the period for which I held the office of Territorial Secretary, I was a director of the Bank of Bengal, a member of the Mint Committee, of the Committee of Records, of the Committee of Public Instruction, of the College Council, and of several temporary committees, which probably I need not mention.

31. Were you at the College in this country?—I was.

32. For how long did you fill the office of Territorial Secretary in Bengal?—For about 15 years.

33. What are the duties of that office?—The office was divided into two branches. In the financial branch, it was my duty to conduct all the correspondence of the Government relative to matters of finance. I had chiefly to correspond with the Accountant-general, but also occasionally with other officers, and with individuals regarding the public loans, or other questions of finance affecting individual interests. I had likewise to concert with the Accountant-general the means of raising funds necessary for the public service, and generally to offer advice to the Government upon financial questions. In the revenue department, my chief duty was to correspond with the several Boards who superintend the different branches of revenue, and to concert with the Boards the means of improving the revenue, or the law relating to revenue. On particular occasions I had also to correspond with individuals; and all petitions to Government on matters relating to the revenue were received by me and disposed of under the orders of Government. I should perhaps explain, that for almost the whole of the time during which I held the territorial office, it embraced the whole of the land revenue, salt, opium, customs and the excise, in fact every branch of revenue except the post-office. Subsequently there has been a new arrangement of duty, and the excise, stamps, customs, salt and opium have been transferred to the general department. It was the duty of the Secretary, in regard to all charges belonging to his own department, to give his opinion as to whether they should be admitted when new charges were proposed, or new establishments recommended by the different Boards. With regard to the charges in the other departments, he had no distinct responsibility, and no power of control; and his being consulted in regard to such charges depended chiefly on the personal discretion of the secretary of the department, and the degree of familiar intercourse which might pass between them. Latterly, the Government having resolved on the appointment of a financial committee, with a view of a revision of all the establishments, it was the duty of the financial secretary to submit to the Governor-general his views of the best means by which he thought such a revision in all the departments could be effected. The resolution constituting a financial committee of revision, and prescribing their duties, was drafted by the secretary as a part of his duty, submitted to the Governor-general in Council for his approval, and, as approved, put on record. The financial secretary was also *ex officio* director of the Bank of Bengal, which is partly a government concern, and partly maintained by private subscription; and, if elected by the directors, he was also president, but not necessarily so. During a part of the time I was president. For the greater portion, the Accountant-general was president. He is also *ex officio* member of the Mint Committee. Of the Finance Committee above-mentioned, I was a member by a distinct appointment, as may be seen from the government resolution.

34. Have you read the Financial Accounts submitted to the House of Commons by His Majesty's command, in February 1830?—Yes.

35. Particularly Nos. 1 and 2, with the appendices and explanatory statements given by Mr. Melvill on the 7th June 1830?—I have examined those statements.

36. Do you consider these accounts, as explained by Mr. Melvill, sufficient to enable the Committee to obtain a complete view of the financial transactions of the East India Company during the period in question?—They do not seem to me sufficient for that purpose.

37. In what are they defective, and how does it appear to you the defect may be best supplied?—The statements submitted by Mr. Leach are abstracts of those furnished to Parliament annually. I should say they are statements, not balanced accounts. They appear from Mr. Melvill's evidence to require very considerable adjustment, in order to make them show accurately the revenue and charges of the Government; and in regard to one item of this adjustment, which Mr. Melvill has added to the charges of India, viz. 1,300,000*l.*, being the amount allowed as due by His Majesty's Government, in liquidation of old demands of the Company

against

Holt Mackenzie, Esq.

23 February 1832.

against the Crown, and applied with a sum actually advanced from the home treasury to the discharge of the debt due to the public, I apprehend there is some inaccuracy. It seems to me that that sum cannot be correctly entered among the charges of India, in a statement purporting to show the deficit or surplus of the territorial revenues.

38. Do you mean the adjustment of the military balance by the commissioners, of which Mr. Lushington was one?—I do; I forget the date.

39. In 1822, was it not?—I believe so; it was a compromise between the Company and the Crown; and in regard to that part of the transaction, I should apprehend that the proper charge against the territory would have been the amount which India had demanded from the Crown, as money advanced to it, minus the sum which the Crown admitted. Supposing, for instance, that the Indian Government had advanced 2,000,000 *l.* to the Crown of England, and that the Crown objected to 700,000 *l.* of the charge, but admitted the 1,300,000 *l.*, it strikes me as clear, that the Company having advanced 2,000,000 *l.*, and the Crown only having admitted the propriety of the advance to the extent of 1,300,000 *l.*, the 700,000 *l.* advanced, either without authority, or without vouchers enabling them to establish the authority, must be written back as a charge upon the Indian revenue, and no longer stand as a supply to London. Therefore, I apprehend, the proper mode of bringing the 1,300,000 *l.* to account was, to have treated it as a receipt from India, and to have set against it all charges made by the Indian Government against the Crown, on account of which it was received, writing back the balance in the account of Indian revenue and charge, since any excess in the sums for which India credits itself in the London account, beyond what the London branch recovers, must fall upon the revenues of India like any other loss; and any excess recovered on account of old claims should similarly be added to the revenue. I observe no attempt, in any part of the papers submitted to the Committee, to make such an adjustment of the account between India and London, or to show how far the charges made by the Company and their government in India against the Crown have been liquidated by the Crown or not. That seems to me to be a fatal objection to the Committee's admitting the sufficiency of the account; and I consider it inaccurate to place amongst the charges of India, under the head of revenue and charges, sums paid in liquidation of debt. The question put to Mr. Melvill, I should observe, and his explanation, was directed to the point of showing whether the revenues were sufficient to meet the charges, or in what degree they were deficient. It is to that point I now particularly direct what I am saying, in stating the inaccuracy of bringing the sums in question among the charges of India. The mode of adjustment will not affect the amount pending between the Company's commercial and territorial concerns; because, if the Company advanced money from the commercial funds to liquidate territorial debt, it will still be equally a claim by the commercial against the territorial department: but the payment of the debt due to the public is a separate concern from the settlement with the King's Government, though simultaneously adopted, and should, I conceive, be separately exhibited. And it appears to me erroneous to add the sum advanced by the commercial department, in liquidation of territorial debt, to the charges of India; because what we disburse in payment of debt in India is never included among the charges of the year; it stands in a totally separate account, the debt account. If it were included among the charges of the year, it would necessarily mislead the Committee in calculating the sufficiency of the revenue to meet the charges. The sum disbursed in repayment of the loan of 1812, ought therefore to be brought under the head of debt, not of revenue and charge.

40. In one year, 1,300,000 *l.* more was put to the charges of the year than ought to have been placed to that particular head?—I apprehend that the charges have been erroneously enforced, but the precise sum can only be known by an adjustment not yet exhibited.

41. Does your observation apply to the insertion of the sum of 1,300,000 *l.* under the year 1822–3, in Mr. Melvill's adjusted statement, to be found in page 8 of the 2d Report?—Yes, to its being precisely that sum. There is further an objection to the accounts in question, to be drawn from the statement which Mr. Melvill makes, that upwards of 885,000 *l.* remains to be accounted for as an increase on the territorial assets. Now I should conceive it quite impossible for the Committee to receive any such explanation for so large an item, there being no account brought forward to show that the increase of territorial assets corresponds with that sum; nay, the fact being before them, that the increase of cash in hand in

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in India is greater than the sum so stated to be accounted for. Therefore, I apprehend that Mr. Melvill, in stating this account, has not intended to state an adjusted balance, but merely the difference between the receipts and disbursements specified by him, and that he mentioned the increase of assets as a probable cause, but not as an ascertained cause. My notion is, that an account fit for the Committee to receive ought to be completely balanced to a shilling, and that until accounts so balanced are submitted to the Committee, it must be regarded as insufficient for its purpose. I regard the whole of these statements as incomplete on this ground; but I believe every thing that is necessary will be done when the gentlemen at the India House furnish a complete reply to the questions put to them from this office, which I have had occasion to see.

42. In India, all your accounts are balanced to a shilling?—Yes. I do not imagine there ought to be any difficulty in furnishing every thing necessary.

43. Is there not a difficulty in the transfer of treasure from one portion of India to another in keeping exact accounts, or do you make up your accounts, as you now say, balanced to a shilling?—There will then remain a specific sum under remittance. For instance, Bengal will debit Madras with the sum which has been sent or remitted: if that sum is at sea, there will be an excess of debit by Bengal to Madras, and a minus credit by Madras: that does not affect the balance of account; it leaves an asset afloat; the answer simply will be, there is such a sum under remittance. It is very possible that a large portion of the 885,967 *l.* may be similarly accounted for; but it is surely not enough to say, that the sum remains to be accounted for as an increase to the territorial assets since 1814, without showing distinctly that it is so. With the highest respect for Mr. Melvill, I apprehend that there must be some inaccuracy in the reply, and that it must have been given merely as it occurred to him at the moment, not as the result of a reference to actual accounts. I hope I may not be considered as in the least doubting the accuracy of accounts kept both in India and England; my present impression is quite the contrary, that they will be found to be kept on the strictest principles; but the statements hitherto submitted to the Committee and the Houses of Parliament do not seem to me to answer the purposes which the Committee must have in view, in submitting a complete statement of the financial transactions of the East India Company.

44. From the situation that you held, of course all the despatches which went from this country in the financial department, where the adjustment was generally made between territory and commerce, came under you review; did it appear to you that the view taken in this country was correct?—In all matters of account, I think it was generally correct.

45. If it had appeared to you that there was any part of it incorrect, it would have been stated probably to the Home Government in answer to the financial despatch?—The usual process in these matters was to refer them to the Accountant-general; the Government had not the accounts, and did not profess to be accountants. The offices of account were quite distinct from the office of territorial secretary; and the adjustment of matters of account were generally left to the Accountant-general.

46. But from your explanation when you first came into the room, it was thought you had paid more minute attention to finances and the detail of them, than was supposed you could have done from your territorial occupation?—I had no interference at all with the detail of keeping accounts; the Accountant-general's office was quite distinct from mine; but if he required an order from Government as to any particular point, I was the organ of communicating such order. In several cases, especially in adjustments between Bengal and the subordinate presidencies, there were questions as to how certain items should be charged; these he referred to Government, and I was the organ of communication; until he put the question, the Government could not, and did not, exercise any control in the mode of keeping the detailed accounts. The books containing them were transmitted to England without being read or looked at.

47. But the Government abroad considered themselves answerable for the correctness of the views taken by the Accountant-general?—They were answerable certainly in selecting a proper man, and for views brought to their knowledge and sanctioned by them.

48. Have you seen the financial letters from this country of 1827, 1828 and 1829, where a general review of the financial state of India was taken?—I must have read them before I left Bengal; I have not read them since then.

49. Have

49. Have you a sufficient recollection of their contents to say whether you concurred in the view taken in those letters or otherwise?—At the present moment, I do not recollect the points sufficiently to say that there was any view particularly from which I dissented.

50. Have the territorial revenues been sufficient to meet the territorial charges during your stay in India?—No, there has been a large deficit.

51. How far have they proved deficient?—I beg to refer to Mr. Melvill's statement, as more accurate than any I can pretend to give, with the exception of the 1,300,000 *l.* item.

52. What are the causes to which you chiefly attribute the deficiency?—An increase of charge in all the departments.

53. With the exception of the 1,300,000 *l.*, have you examined, and believe to be correct, the statement of Mr. Melvill with respect to the territorial revenues and charges?—As I have already observed, without more detail, and having the accounts accurately balanced, those especially between London and India, I could not say I am satisfied they are accurate; my belief that they are so must rest on the high opinion I have of Mr. Melvill. I think he is mistaken in regard to the mode of adjusting the accounts of that transaction. That is the only point I can lay my finger on.

54. Without answering for details of figures, are you of opinion that the account is drawn up on proper principles as to the distribution between territorial and commercial?—I see no other thing to object to; upon the understanding (and the point is beyond my competency to determine) that the interest of the territorial debt is properly charged to territory, as seems to have been long settled; that of course is an important subject.

55. Are you aware that in the advances made to commerce from territory, any interest account was kept?—I believe no interest is charged in any of these statements.

56. Does it appear that Mr. Melvill makes any charge of interest on the advances from commerce to territory?—It would appear not; and in saying that his statements are correct, I should further explain, that I do so supposing that the principles of adjustment settled between the Board of Control and the Court of Directors are admitted to be proper. If I were to presume to give an opinion as to the rate of exchange, I should say that the orders of the Board were unreasonable in fixing the rate as they did. It is a very important item; for the commercial branch would appear to have a large demand against territory on account of remittance, as it has also possibly on account of interest.

57. Will you state your opinion as to the practicability of bringing the territorial charges made at home and abroad within the territorial revenues?—My impression is that they may be so brought, but at the same time it would be very bold to speculate with certainty on a result at variance with that of the past, and depending on the management of so large an empire.

58. Do you think it probable that the deficiency of 800,000 *l.* estimated by Mr. Melvill can be supplied?—I think the reduction ordered by the home authorities and the local government, in addition to those for which he has taken credit, will be sufficient to meet that, if no new charges arise which are not estimated.

59. Do you consider it necessary or expedient that India should bear upon England for any pecuniary aid?—The necessity of course will depend on the sufficiency of the Indian revenues. With the impression that these revenues ought to suffice for the necessary charges, I should say it is not expedient to allow the local government to hope for any assistance from home, because I apprehend there is always great danger of all governments spending as much as they can easily get.

60. You include the advances in England in territorial account?—Yes; I include the whole concern at home and abroad.

61. What is your opinion of the Indian empire continuing in that state of quiet as to encourage probability of an estimate as to expenditure being correctly stated for some years?—The danger of internal insurrection is one of the items of uncertainty in any prospective calculation. But I believe that the extraordinary expenditure incurred in putting down internal insurrection has been small. Our military expenses beyond the fixed establishments have been chiefly incurred in foreign wars; and presuming good government, I should not make any great allowance for its internal disturbance; at the same time, it is a very important item, and not to be overlooked. In Bengal Proper there is little chance of insurrection. In the

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Western Provinces there is serious danger of insurrection only from bad government. On the Bombay side of India, there is much less certainty of internal quiet. The Mahrattas may be there regarded as a conquered nation. Elsewhere we have, generally speaking, displaced governments, themselves strangers. The Rohillas may indeed be regarded as a band of conquerors whom we conquered; but they are not very numerous; and all military and unsettled tribes are likely to become more quiet every year. I do not therefore, as already stated, apprehend any serious danger of insurrection in any portion of the Bengal territories. Nor in the Madras territories proper am I aware of any great cause of alarm, provided the Northern Cirkar men are well managed, and the people of the other provinces are not oppressed with severe exactions. If the question also includes the protected states, a larger allowance must be made for occasional disturbances. I think our relations with these protected states are not very satisfactory, and not calculated to lead to good government. Now just in proportion as good government fails, is the chance of insurrection. Of all people in the world, I think the people of India are the easiest governed.

62. Has not Bengal and Orissa been free from insurrection for 40 years and upwards?—I do not remember any insurrection within that period in our old possessions. There were disturbances in Cuttack, which forms part of Orissa, but the insurrection there I conceive to have been occasioned by great misgovernment; for things were exceedingly ill-managed in the revenue department, and the judicial administration was abominably bad. I do not remember, as far as Bengal is concerned, any disposition to rebellion on the part of the people, where the fault was not decidedly on the part of the Government.

63. Then it is your opinion that bad government can alone be the cause of rebellion?—Certainly so: speaking of Bengal, and excluding times too distant for any financial estimate.

64. Do you not consider that the possible event of war with the frontier powers or territories might also derange the calculation of the revenue of India founded on a peace establishment?—It will most essentially derange any calculation which does not provide for considerable reduction of debt in time of peace. Unless the Government have a large surplus applicable to the payment of debt during peace, any calculation founded on the sufficiency of the means would be utterly falsified by the occurrence of war. The chance of war seems to be diminished very greatly by the arrangements of Lord Hastings. There is now no enemy, properly so called, within the whole peninsula of India. We formerly had a territory not only surrounded by, but nearly surrounding, an hostile country; the Mahrattas and Pindarees being in the centre: and to the north-east, a large portion of the extensive range of hill-country which was occupied by the Goorkhas, is now in our possession. In the Burmese war, I hope we derived a sufficient lesson to avoid war again in that quarter; or if unhappily we are driven to it, that it may be attended with less expense. On the north-west, a line drawn from about Loodiana on the Sutuleje to Scind, is the only hostile frontier that now remains; and to the north-east and east we have little, I think, to apprehend. With respect to the Madras Presidency especially, it is to be observed that, excepting the sea-shore, in case of war with a maritime power, they have not a single mile of frontier to guard against an external enemy; their force in the Nizam's territory, like that at Nagpoor, being for purposes of internal quiet. On the whole, I am of opinion that the danger of a war is much diminished; at the same time, it would be utterly improvident not to make provision for the discharge of debt in time of peace; and I should think India insolvent if it had not the means of doing so.

65. Suppose any internal insurrection took place in the Nizam country or Nagpoor, or any of those protected states, would not the movement of the troops necessary to bring the country to subjection be expensive?—It certainly would be expensive, but I do not apprehend any very large expense.

66. Would it not depend on the distance you had to move your troops?—Yes; and also on the nature of the insurrection to be put down.

67. From the casualties of this kind within the last 20 years, may not some reasonable estimate be formed of the allowance you ought to make for putting down such commotions?—I am afraid not a very accurate one. I think the future expense ought to be less than the past. At the same time, very much must depend on the practical decision of the grand question of interference or non-interference in the concerns of the protected states. If, neglecting the people, we attend too much

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to our supposed obligations to the princes, there will, I conceive, be great danger of internal commotion. But it is monstrous to suppose that the British Government can long continue to keep on their thrones foreign princes, like the King of Oude for instance, and at the same time allow them to tyrannize over their people.

68. Your opinion seems to be against our interference with tributary states, or entering into engagements such as that you have alluded to?—I do not think it desirable to enter into such engagements. But the thing cannot be undone; and in the case of Oude especially, the whole ceded territory was given as a consideration for our protecting it. At the same time, as the Marquis Wellesley clearly foresaw the necessity not only of interfering with advice, but compelling that advice to be observed, and that if we held the sword for the sovereign, we must constitute ourselves the judges between him and his subjects, there is, I think, no difficulty as to our right of interference in this case. But we must, I apprehend, very decidedly interfere to compel him to do justice; it being quite hopeless to expect he will do it of his own accord.

69. Is it possible for any government to maintain the civil government for any length of time and not have a power over the army?—I think the degree of control might be so limited as to leave the sovereign still very great authority over his country, supposing him to be at all fit for it; but I am afraid that the character of the present King of Oude is such as totally to unfit him for the exercise of any real functions of sovereignty; and the same remark would apply to the late king. In the case of the Nizam, perhaps we went too far in maintaining a minister against the will of his master, though there too, I believe, little was to be expected from the prince; and where the prince is a Mussulman and a stranger, a large degree of interference seems to be unavoidable. The case may be different with a prince governing people of whom the majority are of his own tribe. Thus in Bhurtpore, the Raja will probably manage his little country as well as any English judge, with very little interference. The Rajpoots are an exceedingly troublesome race, and it is not easy to say what may be done by interference or non-interference. In the case of the Mussulman princes of Hydrabad and Oude, I consider the case to be clear. We must interfere to compel them to do justice.

70. Supposing a war to break out now, do you suppose it would require more than a month to put the whole down?—I should think a short period and small force would suffice for any disturbances likely to occur in the dominions of those princes whom we protect.

71. Are there not instances in which you have been guarantees for their debts?—We were guarantees in the case of the Guickwar. We interfered at Hydrabad so as to pay off debt, and there is a question about the claims of certain bankers against the Oude state, which has not yet, I believe, been decided. In speaking of the possibility of meeting the charges, I should rest more on the latest estimate from Bengal than on any opinion of my own. Here is an estimate for the year 1830–31, which ends in April 1831, prepared as late as March 1831, which shows their expectation of a net surplus in India of one crore, eighty-five lacs, twenty-one thousand, seven hundred and ninety-five rupees. The charges appear to include stores, and therefore the surplus is to be set against the other home charges, which may be considered about a million and a half sterling, exclusive of stores. The surplus stated would be, at the rate of 2*s.*, 1,852,000*l.* There is a receipt of 6,00,000 rupees from Ava; but in the proper revenues of this year I do not see any thing that may not be reckoned upon in future, except the opium; that branch of revenue, it must be acknowledged, is very uncertain. Supposing it to be maintained, I should consider this estimate to afford good ground for calculating on a satisfactory state of things hereafter; for there are many reductions actually resolved upon, of which the effect cannot be fully shown in it; and I am of opinion there are means, especially by the substitution of native for European agency, of effecting reductions to a considerable extent beyond what the Government have resolved upon.

72. State your opinion of the causes of the uncertainty you consider to attach to opium revenue?—The opium revenue depends entirely on the demand in China; and we have now no monopoly of the supply to China. It can be supplied to a certain extent from Turkey, which is quite uncontrolled; and also from Malwa, subject to a very inefficient control; but at the same time it can be manufactured at Bengal considerably cheaper than at Malwa; and as the demand of the Chinese has outstripped all expectations, I see no sufficient reason for anticipating a failure, although

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although it must be admitted that a calculation resting on the demand of a foreign market, of which foreign market we have not the exclusive supply, cannot be matter of certainty.

73. In your letter, you have stated an opinion respecting the transit duties payable in India; we wish to ask your opinion generally as to the result of withdrawing all these transit duties within the limits of the Company's territories?—I think in the first instance there would be a considerable sacrifice of revenue; but if other customs were substituted, I conceive a great part of the immediate loss might be made up, and that it ultimately would be very advantageous to the country.

74. How would it be made up?—At Calcutta, as well as at Madras and Bombay, the customs might be considerably added to, by additional duties on various articles of import.

75. Imports by sea?—Yes.

76. In your letter, you observe there are many minor sources of revenue which are attended with a large per centage on the collection?—Yes.

77. Are you of opinion that it would be for the general advantage of the country to get rid of these minor items of revenue, the collection of which is so expensive?—If the question refer to the transit duties, I should say, that to these the objection is not so much the charge, although that is a serious objection, but the great annoyance they occasion; the separation of different parts of the same country by an arbitrary line of custom posts; the risk of putting a stop to a good deal of trade that might be profitably carried on from province to province, to say nothing of the increase of cost upon every thing that is brought to Calcutta from a distant province, in consequence of its having to run the gauntlet of 20 or 30 custom-house stations, at which it is impossible to suppose that money is not often taken, and at which delay and vexation are at any rate certain.

78. Have you any observation to make on the Abkarree collection, which you allude to in your letter as being attended with uncertainty and expense?—I think it is a growing revenue and not objectionable, although collected at a considerable expense.

79. Has it not generally been the direction of the Home Government to abolish the transit duties as soon as the Government in India possibly could carry it into effect?—I do not immediately recollect any general order of that kind. In regard to particular articles, there was such an order: cotton and cotton piece-goods were proposed to be exempted; but the Government at home expressed itself favourable to the scheme of getting rid of transit duties, if an equivalent could be secured.

80. You have stated that you think there would be a great reduction from employing native agency?—Yes.

81. In employing native agency, are you not obliged to employ a greater number to perform the same operations that Englishmen do?—No; I should apprehend the reverse; for instance, I think native judges are able to get through much more business than English judges.

82. At this time in Bombay there has been an enormous increase in the expenditure for native agency; is the deficiency of agency generally the cause, or what?—Part of that increase must, I think, be nominal; probably from the allowances to some inferior revenue officers being brought to account, which were formerly deducted from the revenue; but as the English establishment at Bombay could not be reduced at the same time that the natives were entertained, it is very likely there may be an actual increase. The effect of the arrangement at Bombay, when the supernumerary Europeans are got rid of, will, I doubt not, be a reduction of charge.

83. How far, in your opinion, can native agency be employed without the control of England?—I do not think that it can possibly be employed without control; the question strikes me to be precisely one of degree. I may illustrate it in the case of the judicial department. My notion is, that to set an Englishman in the midst of a million of people, and desire him to decide individual cases, is a system that must fail; he must either deny justice to the people by deciding one out of a hundred requiring decision, or he must decide in a most superficial manner. The same judge, with native subordinates, may, with very little comparative expenditure of time, sufficiently control an establishment of native judges to ensure a much better administration of justice than if he was to be himself employed in the immediate decision of individual cases. The true principle seems to be, that the English functionaries shall do nothing by themselves which they can make natives do; a judge of a district should be considered as governor of the district. In the case of appeals, nobody should be entitled of right to require him to go further into the investigation

investigation of facts than may be necessary to prevent wilful wrong: he should have a full discretion of ordering new trials; of referring from one judge to another; of making two or more judges sit together when he distrusts one; and of referring cases to the people themselves for decision by arbitration; he should constantly keep in mind, that his proper duty is to make the people do their own business.

84. In talking of employing natives in the specific departments of government, do you mean the financial as well as judicial departments?—In the revenue department, certainly; especially in the collection of the revenue of settled districts. I conceive that in Bengal the duties of a collector, in so far as concerns the mere realization of the government demand, ought not to occupy the European functionary above an hour or so in the day, if the natives are properly paid and properly trusted. I believe we might have native collectors who would collect the revenue just as well as it is now collected.

85. And you think they might be trusted?—Subject to the control of an English officer. They now in fact do a vast deal of business, which their superiors appear to do. Often, even when reports are called for by the Board, the matter being to be found by a reference to the records, is prepared by a native, while the English gentleman makes a translation of what the other states.

86. In fact, it is a mistake to suppose we could govern India without the natives?—Yes, it is merely a question of degree; I conceive that all English officers have been employed in detailed duties to an extent uncalled for by the circumstances, and which will be still less necessary if the natives be improved, as they are capable of being improved.

87. The result of your opinion is, that the finances of India would be much improved by the employment of natives?—I think so; I think natives are quite equal to Europeans in intellect.

88. Does any particular mode of education occur to you as a preparatory step?—The plan of the existing colleges seems to me to embrace every necessary education; but I should be glad to see more seminaries established by Government; one in every provincial town, for instance, and the system may doubtless be improved. But with the existing system and the existing establishments we may have a large supply of men admirably fitted for business.

89. In your letter you have stated certain advantages which you think would be derived to India, by encouraging the settlement of Europeans there; will you explain in what way you think the finances of India would be improved by such settlement?—I consider that every European who settles in any part of India must add something to the revenue; for he will be a profitable consumer, that is, he will consume articles capable of taxation. He will, I should hope, greatly improve the means of production, thereby adding largely to the general wealth of the country. His example will introduce among many of the natives some European habits, which are habits of greater comfort and expense than native habits; and without any change of habit in the people, the miscellaneous taxes must increase with the increase of wealth, and the more abundant production of the objects of internal and external commerce. In the unsettled districts, every improvement in agriculture must add to the land rent of Government. To introduce irrigation where it is not now practised, is to render highly productive land that is now comparatively unproductive; and since the rent of all waste land not specially assigned belongs to the Government, there would be immediately, or at no distant time, an accession of revenue in all cases in which such land might be brought under tillage. I believe intercourse with Europeans leads to indulgence in the use of wine and spirits, which, though it may be lamented on the score of morals, must be beneficial to the revenue; their servants are generally better clothed, and the articles of clothing being subject to taxation, that would increase the revenue, and they would be better housed.

90. In that part of India where the greatest number of British residents are found, has there been any increase among the natives in the indulgence of English tastes, fashions and habits?—Judging from Calcutta, there has been, I think, a very marked tendency among the natives to indulge in English luxuries; they have well-furnished houses, many wear watches, they are fond of carriages, and are understood to drink wines.

91. Are they many branches of native industry or commerce which you think might either be extended or introduced by Europeans with capital settling in India?—As far as my judgment goes, the manufacture of sugar appears to be very ill

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conducted in India, and the land fit for sugar-cane to be very abundant. I should conceive the produce of sugar might be extended by a better mode of manufacture, and, independently of foreign export, there is a very large demand for sugar in India, which would be extended in proportion as it is obtainable. In indigo, I have understood it takes at an average more than 40 bugahs to produce a maund of indigo; and the extent of country occupied by the indigo-planter strikes me as being excessive; but not being a farmer, nor having gone into details, I cannot speak authoritatively. The cotton of India is bad, and from experiments lately made, there is no doubt, if good seed was procured, that beautiful cotton might be produced abundantly. Tobacco might be even more probably improved.

92. Is not the result of your experience, that the commerce of the country, and consequently its finances, or the power of raising a revenue, would be improved by the accession of Europeans as settlers?—I should think very greatly, both as they would produce articles of consumption and commerce more abundantly, and as it would introduce better habits.

93. Are you aware of any danger from the residence of Europeans, likely to counterbalance the financial benefits you have stated were likely to arise?—My own opinion is, that instead of danger, there would be additional security from any number of Europeans likely to visit India.

94. How would there be additional security; would they become agents of Government?—I think most probably they would be very useful agents of police. They would be centres of information we now want, and would have great influence over those connected with them. They would be bound to us by a common feeling, except at a very distant period, if such a period ever should arrive, which I do not think it would, when they would be sufficiently strong to be independent of this country. There is a financial question I ought to have noticed, I mean the interest of money. The lowest rate of interest paid by the cultivators in the Bengal part of India is two per cent. per month; in general, the agriculturist pays much more, being under an agreement to give their crop to the money-lender at a low price. My impression is, that an European would be able to raise the necessary fund at a much lower rate. Natives of good credit do not charge more than six per cent. per annum in their accounts current; many are willing to take five per cent. from the Government.

95. In these cases of the loans, who are the lenders?—Generally village money dealers, who combine with the business of money-lending that of being the first purchasers of sugar or grain.

96. Do you suppose that natives of Great Britain indirectly, although prohibited to do so directly, advance money to the landholders on security of their estates?—I think some do.

97. Do you think it takes place largely?—I apprehend not very largely.

98. If Europeans were allowed to become purchasers of land, might or might they not in that way raise money from the natives on mortgage of their estates, upon which cultivation of various articles might be carried on in India, if they were so admitted?—There would be no difficulty in raising money on mortgage.

99. Would not that be an important means of increasing the financial powers of the country on any emergency, when local taxes might be requisite; would not the stamp revenue be improved?—The wealth, and consequently financial powers of the country, would certainly, I think, be increased. As pecuniary transactions extended, the use of stamps would no doubt extend; in short, there might be every thing probably in India that there is in England.

100. You have stated an opinion respecting the facility of collecting the revenue of lands that have been permanently settled; is it your opinion that that should be extended throughout the country?—Not that a settlement should be made in perpetuity.

101. What is the result of your observations as to the increased powers of taxation in those places where permanent settlements have been established, from others where a temporary settlement exists?—Bengal produces very largely in the miscellaneous branches of revenue; but I do not apprehend that, in order to have the same result in the Western Provinces, a perpetual settlement is necessary; a light assessment with long leases would have the same effect.

102. To what extent of lease do you consider the interest of the proprietor would procure a proper cultivation of the soil?—I think leases of 20 or 30 years would be sufficient.

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103. Do you see no risk, from the latter four or five years of the leases, of the revenue being endangered, or would you renew before they expired?—I would renew before they expire; but I would also make conditions so as to ensure the party such a share in the benefit of any improvement he might make, as would stimulate exertion, and make his interests coincide with those of Government. The Government is indeed entitled, by strict law, to the whole rent, subject only to a right of occupancy: but this right may be partially conceded without establishing a permanent quit rent; and the greater part of the Western Provinces being held by cultivating yeomanry, it seems only necessary to provide that they shall, at the end of their leases, share in any excess of revenue which may be demandable under the law, to make it their interest to push cultivation to the utmost. Just as in this country, if a landed gentleman were to give the old farmer a preference of 5, 10 or 20 per cent., that preference would be sufficient, without any stipulation as to crops, to induce him to push his agriculture to the utmost. In India, if we are not bound to do so, we ought to place ourselves under such an obligation, in order to give a value to landed property, and that the owners or hereditary occupants may have an interest in increasing the net rent. Without sacrificing the whole of the improving rent of the country, or confining the government demand to a fixed perpetual quit rent, it occurs to me as easy to give the cultivators such a share as will stimulate them to active exertions, and prevent anything like waste.

104. Would it not be of importance that the government of India should recognize the lending money on mortgage by British residents to natives, in order to promote good cultivation of the soil?—I think essentially so. This right would naturally follow, from admitting that of purchase.

105. Would not leases of some duration be necessary, in order to encourage the advances of capital on the security of the land?—Certainly, leases of some duration, and, what I conceive to be essential, a distinct right in some portion of the rent, which may be left to the owner of the land, without limiting the government rent to a fixed sum. Between the extreme case of taking the utmost rent, and that of receiving a small quit rent, many intermediate measures might be adopted. In Bengal we have yielded too much, even if it had been given to the right men. Of various minor estates rented to farmers, under the Court of Wards, it appeared that the rents receivable on account of the zemindars were more than twice the amount of the government revenue; and, generally speaking, I should think that in our permanently settled districts, the zemindars, or persons who have contracted for the payment of the government quit rent, have a net income considerably exceeding the revenue of Government.

106. In a financial point of view, you have stated, that by the increase of commerce, improved cultivation of soil, and other branches, the revenue might be increased; would not an expeditious mode of having justice, or of having the law of debtor and creditor speedily settled, contribute much to improve these branches of industry you have mentioned?—I think it would reduce the interest of money, which would be an essential improvement, and still more, add to the readiness with which people would lend money.

107. Is it not one of the great difficulties in the procuring of capital, the uncertainty and delay in procuring payment?—It must operate disadvantageously; the general impression being that our system is ill adapted for the prompt recovery of debt; but as far as concerns the great body of the people, the more immediate cause of the high interest they are subjected to, is their poverty and consequent bad faith. All people who are poor are faithless in the payment of debt.

108. Is it your opinion, that in proportion as Europeans could be induced to settle, the good faith of commercial dealings would extend?—I should hope so.

109. What are the classes of Europeans that you now propose should settle in India?—The classes I immediately contemplate, in addition to those already established, are men of good education and of steady habits, with little or no capital beyond that which would enable them to go to India, chiefly those who have friends or connections there. I am not very sanguine as to the introduction of capital into India by direct remittance, though it may be done to a certain extent by commercial speculators employing agents; but the freedom of settlement would, I think, have a most favourable effect on existing establishments. In the indigo factories of Bengal, the persons employed are often inferior in character to those who would have been employed if the system had been more liberal. It has become more liberal; but still there are frequently occasions in which the gentlemen

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men who advance the funds for the manufacture are obliged to employ men whom they would not employ, if they could, without restriction, send home for any one they desired to employ. I should think that there must be many that in such circumstances would have found their way to India, young men who have been in the West Indies, or who have been educated as farmers, merchants or manufacturers at home, superior to the majority of those who are employed in the Lower Provinces; possessing practical knowledge of a kind to make them useful in India, and prepared by general education, speedily to acquire the language of the country; whereas of those who now manage indigo factories, many are men who went out to India in very inferior situations, and some born there, without good character or sufficient qualifications. What is wanted is superintendence and direction, with trustworthiness, in the conduct of agricultural and commercial concerns; and for this purpose there seems to be great scope for men of education, good character, and industry. Every European of suitable qualifications, character and industry, who landed in Bengal, if befriended and supported for a short time, would, I think, become a capitalist by force of that character and industry; at the same time, speculators from home might also send out capital.

110. Are you aware of any difficulty that now stands in the way of a person of capital, or character, or connection, being prevented from going to India?—I believe the admitting them is made a matter of favour. I do not think gentlemen in Bengal understand that they can with any certainty write home to have persons sent out to them; and although licences have been very much more liberally granted of late, I do not think any man at home feels himself entitled to claim permission to go to India, on showing that he is able to pay for his passage to Bengal, and has the means of living there. In all cases, I believe it is made a matter of favour to let settlers go out. My notion is, that instead of its being a favour to allow an Englishman of education and character to go to India, his doing so should be regarded and encouraged as an advantage to the country; and I apprehend that the utmost liberality on the part of any government will not entirely remove the objection to the restrictions existing, although it may very greatly remove it.

111. You are of an opinion that there ought not to be an indiscriminate allowance of Europeans to settle in India?—My notion is, that in Bengal they should be allowed to settle indiscriminately. Some might go, unhappily for themselves, and perish, but the length and expense of the voyage would prevent many from doing so; and I do not think it is part of the duty of a government to keep men from running such a risk, if they think it is for their benefit; and in so far as the people of Bengal are concerned, I see no sufficient reason for restriction. In other parts of India there may be particular reasons for a contrary course; the new conquests on the Bombay side, for instance, stand in a different position; the Mahrattas, as I have said, are a conquered nation; the people are still comparatively strange to us. There are many chiefs whose characters have been formed under preceding governments. In Bengal we did not conquer the people; we merely set aside a government as strange as ourselves. The Bengalese have been under our dominion for nearly 70 years. In the largest portion, and every body having been bred up under our Government, the people are comparatively familar with our ways. There, generally speaking, I see no risk of preponderating evil; but before Parliament opens the whole of India, or of any presidency or province, it would be wise to ascertain from the local governments whether there are not particular tracts in which the settlement of Europeans should be restricted or prevented on political grounds. My own opinion, in regard to all the provinces immediately dependant on the Presidency of Fort William, is, that there need be no restriction. In the plains, particulary of Bengal, Behar and Orissa, which contain nearly 40 millions of people, there seems to be no reasonable ground of restriction except from motives of humanity towards the adventurers themselves, which I consider to be misplaced.

112. In one of your answers to the questions of the Board of Control, you have said that if Europeans of capital were to settle in India, they would produce the articles of agriculture cheaper than the natives?—I am not immediately aware that I stated the matter positively; I meant at least to put it as a point of inquiry, rather than as a positive opinion. At the same time, my impression is that cheapness would ensue.

113. You are aware that the habits of Europeans naturally, from the climate, are

considerably

considerably more expensive than those of natives under the same circumstances?—Certainly. It is only as superintendents that I conceive Europeans would succeed, not as labourers. But their superintendence, I think, would render the native labour much more productive; for although it is at present nominally cheap, it is exceedingly unproductive. Mr. Kidd, the Company's shipbuilder, considered, I believe, one European as equal, for his work, to six natives: it is a general complaint that the habits of the native workmen are lazy and irregular. But I have understood that at the establishment of Fort Glo'ster, in the neighbourhood of Calcutta, of which the proprietors hold an adjoining estate, they get labourers who remain fixedly with them, and who acquire superior habits of industry; and I doubt not, that by having a number of Europeans similarly settled, we should much improve the habits and condition of the native labourer; though physically he must always be inferior to the European.

114. You stated that the agriculturist pays at the rate of two per cent. per month for his capital, and that an European would give money on much easier terms. Are not, generally speaking, the zemindars, who possess our settled provinces, men of capital, who could carry the extension of agriculture to any extent they think proper?—A good many are men of capital, but many more are not. In general I should say, that, excepting rich men residing in Calcutta, the majority of the higher order of zemindars will be found to be spendthrifts, with no knowledge whatever of agriculture, and no care about it; thinking of nothing but extorting the utmost they can from the labouring tenantry. Such is my general impression of the character of the Bengal zemindars, not being themselves the owners of the land, but contractors for the revenue of land held by persons who claim a right of occupancy. There are doubtless exceptions.

115. What degree of education should you say they have generally?—The zemindars in the interior, in general, are very poorly educated. Those among them who are born to considerable estates have no very strong motives to educate themselves, or resist the temptations that beset them to indulgence in all kinds of pleasure. For the higher classes we have no situations of sufficient importance, to induce them to seek office from motives of honourable ambition. Indeed, the rank of office is not well assured to any native, and it has not hitherto been at all an object of ambition with the zemindars to enter into the public service. The responsibility of all offices open to natives is great, compared with the emolument; and the best candidates for office (many are men of exceedingly acute intellect) are usually very poor. Zemindars of rank generally avoid employment; and like most other men of rank, are too frequently given to vice.

116. State to the Committee what are the principal obstacles to prevent Europeans of character establishing themselves in various situations in India?—I think one great obstacle is, the necessity of applying for permission to the India House. It is partly a real difficulty, but operates still more to deter adventurers from apprehension of difficulty. No person now in Bengal can send for a young friend to superintend any new establishment. Another great difficulty is, they are not permitted to hold land. As India is an agricultural country, the refusal to permit them to hold land is a great bar, I think, to the extension of European adventure there. At the same time, I must say that my impression is, that it would be exceedingly difficult by any scheme, to get a sufficient number of Europeans to settle in India. But just in proportion as it seems difficult to get them in the desired number, it appears unreasonable to oppose any restriction to their going.

117. Is there any difficulty at present in the way of Europeans holding leases to the extent of 20 years?—Such leases can only be held avowedly under a resolution of Government, which imposes restrictions that have practically operated to prevent them from being taken to any considerable extent.

118. There was a period when the restrictions were removed, and the holding of land was opened to Europeans; did they take advantage of that period?—To a very small extent; the period was too short for the arrangement to have any effect.

119. What was it?—I think about a year.

120. When was it?—In 1828–29.

121. Was there any certainty of the privilege being continued?—I believe there was no certainty.

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122. Is not the state of the law, which permits any government to deport a man from the country, considered a very great obstacle to the settlement of Europeans?—I imagine it is in England; in India, I think most Europeans have practically learnt it is not a very serious obstacle. Upon those who have not had the experience of the general feeling of Government against enforcing the law, it may operate powerfully.

123. As the Company have the full landed revenue of the country, as every thing depends on the payment of that revenue, as the Government would immediately take possession of the land if that revenue were not paid, would it be possible for any individual holding land not in the permanent settlements, to borrow money on the security of that land?—In some of the districts in question leases have now been granted for 15 or 20 years, and no doubt money will be advanced on the security of that land. In places where it is liable to an annual varying and uncertain demand, it would be hopeless to offer it as security for money; but a 20 years' lease will enable owners of fields to raise money on their property. All depends on the limitation of the government demand.

124. Suppose that from the bad management of the farm, it pays merely the revenue of Government, or not so much, how would the person who has lent the money stand?—If the estate, on the security of which he made his advance, turns out good for nothing, he cannot recover his money from that estate, and he must probably lose his money.

125. In fact, the Governments in India, like the Crown in England, have a preferent claim over other creditors?—They must be first paid their rent.

126. The borrowing of money by cultivators of land; is that practised very extensively?—Very extensively, I may almost say universal.

127. Should you say that three-fourths or seven-eighths are cultivating with capital borrowed in this way?—I should probably say they were.

128. Do you include the money advanced by the Company?—I mean separately; it is not the practice of the Company to advance money to cultivators in the permanently settled districts of Bengal.

129. Exclusive of the transactions with Government, you think the proportion you have stated are cultivating the soil with capital borrowed at the rate of two per cent. a month?—Yes, I should suppose three-fourths.

130. What classes of persons are the lenders of the money?—Generally the village bankers, or those in small towns, who usually combine with the trade in money a trade in the produce; buying it in the first instance on advantageous terms from the producers.

131. Are they persons in easy circumstances?—Their circumstances vary; but they are generally, I believe, in easy circumstances; but it is not a profession that is very respectable. I never heard of wealthy bankers advancing to cultivators in Bengal.

132. Is it held to be discreditable?—I rather think it is; natives of much respectability object to trade in grain.

133. But the lending of money; is that also discreditable?—Not the lending of money generally; but the dealings I have spoken of with the cultivators. It is a sort of business which I think the higher bankers rather avoid; besides, it requires minute knowledge they do not possess, and which is possessed only by the bankers of the villages.

134. Does not that depend on the want of capital, and the necessity the person advancing the capital is under of taking grain in payment of his money?—Very much so.

135. Have no attempts been made, by means of local banks, to give facilities to money lending?—I am only aware of one such attempt. I was informed that Messrs. Alexander made an attempt to establish a bank at Bhauleah, under Mr. Ballard, then a surgeon of the place, who is now a partner in the house; but I understand it did not succeed.

136. Does the same rate of interest prevail among the shopkeepers and small dealers as among the farmers?—I believe they generally are in better circumstances, and do not pay the same interest.

137. Can you state for how many months in the year the advance is generally continued?—It depends a good deal on the crop. In sugar-cane the advance probably runs on for a year. They cultivate the sugar-cane in the spring of one year, and

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and collect it in the spring of the next. The grain crops are produced more speedily; for them they must generally possess the means of repayment in about half a year; but a great majority in Bengal seem to live from hand to mouth, and to be always in debt.

138. Do the cultivators use the money-lenders as commission merchants for the sale of their produce?—Not as commission merchants; but it is very generally a part of the bargain, that the produce shall be delivered to the money-lenders.

139. In addition to the interest, they get some commission on the sale of the goods?—The bargain in general is, to deliver at a certain price, which is always under the market rate. I have known an instance in which, when the market rate of sugar was 15, the deliveries of the cultivators were at 20; and they generally delivered all their produce at a price below the market price.

140. There is no legal limitation of the rate of interest in that country?—Yes, it is limited to 12 per cent.

141. How is it these transactions do not come under the cognizance of the law?—No party is interested in bringing them under the law; and if the law was enforced, the effect would probably be, that many places would be left desert. The cultivation is only at present carried on by the law being violated.

142. Would not the cultivator be better off if no such law existed?—I should think so, certainly.

143. Do you attribute the poverty of these persons to the want of industry, or to the portion of rent demanded being too great?—I think the zemindars in Bengal demand too much generally from the people; but they have been always poor, and they are content with poverty. To the mass of mankind, the same principle seems to apply in all nations; if content with poverty, they can hardly be made rich by any contrivance. The zemindars often certainly take advantage of the attachment which the hereditary cultivators have to their fields, to exact more from them than they could from other labourers.

144. Have not these persons a remedy, theoretically if not practically, against the zemindar?—Theoretically, they have a remedy for wrong, but it is not, I fear, practically of much use. If they were united they might possibly defend themselves; but they are not true to themselves: their leaders are often induced to support the zemindars by some special advantage, and the rest follow or are forced to submit.

145. Is it not one of the advantages expected from the settlement of Europeans, that the habits of indolence of the natives would be changed to habits of industry, approaching those of Europeans?—The more they communicate with Europeans, the more likely are they to adopt their habits. I think the common labourers in Calcutta are decidedly superior to the common labourers in the interior,

146. What has been practically the result where indigo planters have settled in a district; has the effect of the encouragement of the cultivation of a particular produce, indigo or sugar, been to release them from their thraldom or not?—I cannot say I remember any particular case. The general opinion was, that wherever indigo planters had settled, the people were better off by getting better employment.

147. Is there any intermediate stage, after the communication between the Europeans and the natives has gone to some extent, in which the natives fall into that state of dissolute habit that uncivilized people generally do before they become improved. Have the people of Calcutta, employed among Europeans, fallen into a demoralized state from that communication?—I think, and I believe it to be the general opinion, that there is a good deal of demoralization in Calcutta. I attribute much of it to the Supreme Court and the system of law established there, which, in its practical operation, seems to hold out much temptation to falsehood, and fraud and litigation. A great capital and seaport is not favourable to morals. But our servants, those I mean who have fixed situations, are, I think, improved rather than injured in morals by their intercourse with us. Moreover, I cannot consider the natives an uncivilized people.

Sabbati, 25° die Februarii, 1832.

THOMAS HYDE VILLIERS, ESQ. IN THE CHAIR.

II.
FINANCE.

Holt Mackenzie, Esq.

25 February 1832.

Holt Mackenzie, Esq., called in; and Examined.

148. DO you think the establishment of legislative councils, and of a fourth presidency and government establishment to superintend the whole, as has been recommended, would lead to any increase of expense; and can you state to the Committee any considerable reduction of charge likely to be made, in addition to those included in the estimate of 1830–31?—As to the establishment of a legislative council, it does not appear to me that that measure ought to be attended with any considerable expense; assuming, as I do, the intention to be to employ as members of it, persons already holding office; but, of course, I cannot answer the question with precision without knowing the constitution likely to be adopted. Supposing the suggestions of the Bengal government to be followed, I do not anticipate any material increase of expense from the measure. In respect to the suggested change in the constitution of the Indian governments, I have already ventured, under the orders of the Bengal government, to put on record my notions of the plan that should be followed. The financial result of the scheme, which provided for a governor-general and four subordinate governments, under lieutenant-governors, is a saving of more than 100,000 *l.*, instead of any increase of expense. The particulars will be found in a Minute, dated 20th July 1830, written by me, as a member of the finance committee, which I have already mentioned.

149. What should you propose as the seat of the central government of India?—Ordinarily Calcutta; but I suppose that the Governor-general, being entirely released from the details of any particular presidency, would proceed to any port of India in which his presence might be most necessary. Calcutta is, I think, the natural capital, if we must have a capital.

150. Have you taken into your calculation, in a financial point of view, the expense of the Governor-general moving from place to place?—Yes, that was all taken into the account.

151. How has the business been conducted in Bengal during the frequent absence of the Governor-general in the provinces of late?—The political business has been almost exclusively conducted under the immediate orders of the Governor-general. The detailed business of the other departments has been left chiefly with the Vice-president in Council.

152. Would you contemplate that he should do so in future?—My notion is, that the creation and adjustment of political relations should belong exclusively to the Governor-general and his Council: that the regulation and distribution of the army should likewise be entirely in his hands, there being one army for all India; and that all legislative enactments should require his express sanction; but the general features of the scheme are explained in the Paper to which I have referred. To return to that part of the question which refers to the reductions which may be made in addition to those included in the estimate of 1830–31, I beg to state that there are items recommended for reduction in the reports of the finance committee, independently of that which depends on the change of government, amounting to about 730,000 *l.*, none of which, I apprehend, can be included in the estimate of 1830–31; but before I could venture to speak with absolute precision upon this subject, it would be necessary to refer distinctly to the dates of the several suggestions, and the orders of the government thereupon. A report, containing the necessary information, is, I understand, under preparation. I believe, however, that certainly not less than 730,000 *l.* will be found to be the amount of reductions recommended, in addition to any savings that can have been calculated upon for the year 1830–31. It may be further proper to observe, that the officers of account at the India House cannot, I believe, take cognizance, under the general rules on which I understand them to act, of anything not actually ordered, whereas the sum I have above mentioned includes all that the committee thought practicable, whether adopted or not; and in what I have said I would not be understood to put my estimate against theirs as implying inaccuracy in the latter, since, as I have already stated, the estimates of the officers of account are, I understand, prepared on the avowed principle of taking credit only for reductions actually ordered, with-

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out reference to prospective arrangements under discussion; but the case being so, it would seem to be advisable that reports should be prepared in the different departments explanatory of all arrangements under consideration which may be likely, in a material degree, to increase or decrease the charge, for otherwise I should apprehend the estimates furnished by the officers of account will not completely meet the views of the Committee.

153. Would those reductions leave the government still efficient; and, if made, would they leave a surplus revenue?—We thought they would leave the government quite efficient, if the principle of substituting native agency for European were duly applied; and if carried into effect, I think that would establish a sufficiency of revenue.

154. Have you considered what portion of that reduction of 730,000 *l.* would be immediate, and what would be only prospective, inasmuch as there would be compensation to be made to the officers reduced?—I cannot immediately furnish a statement to that effect. The principle generally followed in India has been only to effect the savings as the offices lapsed; but they do lapse there very frequently, the service consisting of a limited number of gentlemen, of whom the seniors are progressively returning to their native country, promotion and change of office consequently occur much more rapidly than in this country, independently of the insalubrity of the climate, which must also tell; and, therefore, I have no doubt that the government, if it take advantage of all such opportunities, might secure the proposed savings at an early period; but it would be difficult to calculate the time precisely.

155. Have the government in India concurred in those reductions recommended by the finance committee?—I am not immediately aware to what extent they have or have not, having left India before they passed final resolutions on the most important of the committee's suggestions; but the information may doubtless be obtained from the records which have been transmitted from India.

156. Perhaps you are aware that the officer of account is the auditor of Indian accounts, and therefore every alteration, be it in whatever department it may, must come under his view?—Yes, I am aware of that; but I intended only to remark that he could not regularly take cognizance of arrangements merely suggested, and under discussion.

157. You say it was necessary to call on each department for the various expenditure and reductions in those departments; are you aware that all expenditure and reductions come under the auditor of Indian accounts, and that therefore there is the whole brought into one focus?—I am aware of the circumstance stated, but my suggestion did not refer to what was actually brought within the auditor's scope, but to measures under discussion and likely to occur, of which he could not take cognizance, according to the principle which I understood to guide him.

158. Are you aware there has been a Report called for on Indian affairs, in which the effect of all those recommendations which have been adopted will be taken into account?—I was not aware that it went to that extent.

159. Have you any further reductions to suggest?—Of the provincial battalions several have been ordered to be disbanded in the year 1831, which cannot of course come into the estimate of 1830–31; and there are other savings in the military department, the amount of which I cannot immediately state, which will not occur until after the expiration of that year.

160. At what rate do you convert the rupee into sterling?—I am doing it now at 2 *s.*, as the most convenient rate of conversion. There is a further saving of 30,000 *l.* which might, I conceive, be effected by arrangements suggested in a minute, which is recorded in the proceedings of the financial committee of Calcutta, dated the 1st October 1830. But this and several of the other reductions I have referred to being consequent upon extensive and important changes in the system of judicial and revenue administration, it must rest with the Committee to say how far they can calculate upon them in estimating the future adequacy of the revenues of India. My own conviction is, that the proposed measures are practicable, but I believe that opinion to be opposed by persons of very good authority.

161. You state the amount of reductions at 760,000 *l.*, upon what total amount of charge is that reduction supposed to be effected?—I refer to the estimate for 1830–31, in which the civil charges are stated at 7,607,500 *l.*

162. Do you refer to the estimate given in 1830–31, prospective for 1834?—No; I refer to the last estimate received from India.

163. Have you seen sufficiently minutely on what that estimate is made, to know whether they have not taken into their consideration some of those reductions?

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tions?—I go upon the fact, that the estimate, being confined to the year 1830–31, can include no reduction that is to take effect after the 30th April last; and referring to the several recommendations of the Calcutta committee, I have not taken credit for any items of saving effected before that period.

164. Are you quite certain on what data that estimate of 1830–31 has been made?—I only know what appears on the face of statements themselves; but as I have already said, the estimate being limited to the year 1830–31, which expired in April last, cannot include any saving, even though ordered, which will not take effect before the 1st of May 1831.

165. The judicial and revenue alterations have taken place and are going on in effect at this moment, therefore the 30,000 *l.* may be, in a certain degree, calculated upon, may it not?—That saving was proposed in a Minute regarding the revenue and judicial establishment of the three Presidencies.

166. Not the peculiar judicial system of Bengal?—No.

167. Have you any estimate of the charge as it will stand after your reductions are made?—I have not prepared any such an estimate; but it can be made by deducting the sums mentioned from the charge exhibited in the estimate before the Committee.

168. Are there any items of extraordinary receipt included in this estimate of revenue?—I see none, excepting the payment from the Burmese, under which head is a receipt of 60,000 *l.*

169. You have recommended that the army should be transferred to the Crown; do you think that any material reduction of expense would be effected if such a measure were adopted?—I can only give a general opinion; I think a reduction ought to be the consequence of the transfer. In the first place, looking to India alone, I should think the necessity of having a double staff would cease. There is now a King's adjutant-general and a King's quartermaster-general with establishments. I should suppose also, that the supply of stores being managed as part of the national concern, there ought to be a saving, since there must probably be some unnecessary accumulation under the existing system, a separate government naturally providing for its own wants more liberally than would be thought necessary in a colony depending on supplies from the King's Government. Then, if the officers of the Indian army retained their rank at home, there might possibly be a saving in the retiring allowances; and some establishments in this country might probably cease.

170. What do you mean by rank?—I mean that if officers of the Indian army could be brought into command in Europe, some of them could probably be employed after their return; but the question is one which cannot be answered with any approach to accuracy without having a distinct scheme before the Committee. My remark referred chiefly to the probability of decreasing expense, by getting rid of double establishments both at home and abroad, and by the more economical supply of stores.

171. Are you aware of the present expense of a King's regiment, as compared with the Company's?—Yes; but I had no idea of using Europeans instead of natives.

172. As regards the Europeans, you are asked whether the establishment of officers in a King's regiment is much greater than in a Company's?—Yes.

173. Is not a large proportion of the expense of an army the expense of its officers?—Yes, certainly; especially in India.

174. Would you contemplate that being placed on a large establishment, the Crown could reduce them to the Company's establishment of officers?—I should have officers appointed to the different descriptions of corps, according to their several wants, with a view to their discipline and efficiency for the service to be required of them; but the financial result of any change cannot be advantageously investigated until all the details of the scheme are completely digested.

175. Do you think, theoretically speaking, that the situation of the two services in India has not sometimes acted beneficially upon each other, as a kind of spur to zeal and emulation?—I am not aware how far the case has been so; military men probably can alone answer the question; but I should conceive that troops of the two services will act best together when they act entirely as servants of the nation, and think of the honour of England, without any separation of purpose.

176. Does not the separation of the two rather tend to lessen the danger of those military combinations, which have been frequently very serious in India?—I should not attach much importance to the circumstance, though it certainly may have some effect.

177. Where

177. Where those have taken place, have they pervaded the two services together, or been confined to one?—I am not aware of their ever having pervaded the King's service.

178. How is the supply of stores to be made a saving by armies being joined under those circumstances?—My notion is, that if the King's arsenal were regarded as the great storehouse of the whole empire, the Indian government would not think it necessary to keep so much in store as they have done, especially of those articles for which there is no immediate demand.

179. Do you consider that England is to be the principal storehouse for India? Yes, in so far as the distance may allow. And at home there ought apparently to be a saving, since there would, I suppose, be no necessity for a separate establishment to purchase and examine stores. The establishments of the King's Government could, I imagine, perform the duties with little or no additional expense beyond the pay of a clerk or two. The Committee, however, will observe that I have avoided stating any saving under this head, because I am not able to submit to them any scheme for effecting the change, in a precise shape, which must precede financial calculations.

180. The supplies to the King's troops and the Company's troops, with all the military stores connected with the army in India, are all furnished by the Company, and at the expense of the Company, are they not?—Yes.

181. Would it not be possible to concentrate under one management the whole of that, and to derive every possible economy from such concentration, without altering the different relations of the Crown and of the Company, as respects the command of the army?—There appears to be no impossibility in the arrangement stated; but in general, where different authorities under different heads are called to act together, there is danger of embarrassment.

182. If the whole were under one authority, as it regards the materiel supplies of the army, leaving the separate authority, as respects the command of the army, would not that be practicable; could not every economy by some regulation of that kind be attained?—I am not immediately prepared to answer that question. It is certainly true that there might be a partial union of the two armies, though a total one were not thought expedient. Thus the artillery might be entirely the King's, without the other arms. So as to the engineers. But I should apprehend embarrassment from having different parts of the army under different heads.

183. Could not everything referring to the materiel of the army, be brought together under the same management, without touching on the military command of the army?—Certainly it might; but whether it would be advantageous to do so, I am not prepared to say, without seeing the whole bearing of the question, and especially considering how far the officers in the military command must influence the demand and supply of stores: but it does not appear to me that there is any insuperable objection to such an arrangement.

184. Have you any reason to suppose that India might supply herself more with military stores than she does at present, and derive less from England?—In the present state of the Indian markets I do not think that much could be done. I believe the attention of the Indian government and of the home authorities has been given to the subject: but probably if it were taken up decidedly as an object to be attained, and encouragement given to local manufactures, more might be done.

185. Are you aware that in several instances great encouragement was given to local manufactures for military purposes, and that unfortunately they did not succeed; and that that was attended with a considerable loss of money to the Company?—I was not aware of that fact. And indeed I consider the true foundation of all such encouragement to be that of the settlement of Englishmen in India; were they numerous, I think economy in the supply of the army would be the result. Thus the article of gunpowder was long comparatively dear. It is now, I understand, made at the rate of 14 rupees for the barrel of 100 lbs., which I apprehend to be cheaper than it is made in England. It once, I have understood, cost 40 rupees.

186. You have said that the settlement of Europeans would improve the revenue: how do you think it would affect the charges on the revenue?—I see no reason to suppose that it would immediately have any considerable effect on the charges.

187. Prospectively would it have?—Possibly the first effect might be some increase of charge, but ultimately I should not expect an increase of expense.

188. How should there be an increase of expense?—I think every new European settler

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settler would be likely to occasion some increase of business and correspondence with the government officers.

189. You speak of judicial business?—Yes; and the occupation of time would, in a degree, operate as an expense: but that would be in proportion to the number, and would be trifling, I should think, if we exclude from consideration the effects of increasing wealth and commerce, which would of course more than yield an equivalent for any increase of establishment they might render necessary.

190. Is any considerable proportion of the expense of the civil government, as connected with the judicial system or the police, required by the relation between the European and the native, or between native and native?—The King's courts were established, I apprehend, chiefly in consequence of the relation between Europeans and natives; but I do not think the establishment of such courts arises necessarily out of that relation: conceiving from what both classes of judges do, and are disposed to do, that there is no sufficient reason for the distinction drawn between the King's and Company's courts. Both should be equally regarded as servants of the British nation. Except the King's courts, and the police immediately under them, I am not aware of any other establishment arising out of the relation between European and native; and, as far as I can judge of the extent to which the technicalities of English law need be introduced into India, I do not think that the appointment of tribunals distinct from the general judiciary establishments of the country is indispensable as a consequence of that relation.

191. You do not consider that it would necessitate any considerable increase of judicial or police establishments, if there were a considerably increased number of Europeans scattered over the different provinces of India?—I imagine, that if the numbers were very considerable there must be additional establishments, but, then, my impression is, that there is little chance of there being such a number as to occasion that necessity. In proportion as the country gets rich, and as commercial transactions multiply, business must be expected to increase; and judicial establishments, for the decision of civil cases, must probably be multiplied. At the same time I think many causes, both of crime and of litigation, may be expected to cease, when we become more acquainted with the people and they with us, through their enlarged intercourse with our countrymen in the ordinary transactions of life. At present, it must be allowed that we know comparatively little of them, and they comparatively little of us, out of the limits of the Presidencies, and the circle of official business. Upon the whole, looking both to the extent of business to be provided for, and to the means of obtaining the agency required to transact it, I should not anticipate an increase of expense from the freer resort of Englishmen to India, rather the reverse.

192. You do not apprehend that the habitual respect of the natives for Europeans, and the occasional assumption of authority and power on the part of the European, might be productive of collision to an extent to require increased protection on the part of the government?—I have no serious apprehensions on that head, if justice be done to all parties. Indeed I apprehend that the number of Europeans likely to resort to India will be too small to have any material effect, directly, on the general conduct of affairs, though it may be large enough to act very importantly on the productiveness of the country, and especially as instructors of the natives in arts, and commerce, and agriculture, to which men of consideration and talents among the natives do not now turn their thoughts. And in proportion as Europeans do go to India, and successfully establish themselves there, I should expect that their presence in the interior must operate beneficially in facilitating the administration of the country.

193. Do you know the opinions of Lord William Bentinck upon the subject of the settlement of Europeans in India?—His lordship's opinion is to be found recorded in Minutes, dated, respectively, the 30th May and 8th December 1829, and in the Revenue Letter from Bengal of January 1830. I have always understood from him that he considered the free settlement of Europeans to be likely to be very advantageous to the country.

194. Do you know the opinion of Sir Charles Medcalfe?—Sir Charles Medcalfe has also recorded a minute upon the subject, and has joined in the despatch which I have mentioned. It will thence be seen, and I know his opinion to be decidedly that, without the settlement of Europeans, India can never be to England what it ought to be. He goes, I believe, so far, at least so I understood his expressions, as to hold that there is little chance of the solvency of India, unless the settlement of Europeans be extended. And in the minute to which I have referred, the

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the matter is, I believe, treated as one financially of great importance. I should lay the more stress upon Sir Charles Medcalfe's opinion, because I think he has a very strong sense of the perils that beset our Indian government; and he has had experience in various quarters, and in some of the most troublesome parts of India.

195. One of the objects you had on Thursday appeared to be to reduce the European courts of justice, and substitute native, both in an economical view, and as being superior, in your opinion. Do you think the native courts could take cognizance of any dispute between an European and a native, or between two Europeans?—I think they could. And it may be right to observe, that I do not confine the term natives to Hindoos or Mussulmen.

196. Do you think that, without any advantage they would derive from the improved intelligence of Europeans among them, they could be at once trusted with cases of that description?—I believe that, with due encouragement, men enough might be immediately found, adequately qualified to do all that need be required in regard to such cases, but certainly not so well qualified as we may expect them to become hereafter; and I always suppose the native judges to be subject to the control of an European judge.

197. Have you read the answers of Ramohun Roy to the questions sent from the India Board to him?—Yes, but I do not bear them now in mind.

198. Do you consider that the honour and emoluments attached to the situation of judges, to which you allude, would be a strong inducement to that integrity of character requisite for that elevated situation?—I think, with a comparatively moderate salary, the government might get native judges who would well discharge their duty; and that it is in fact very much a question of emolument and station. Those from whom we require important and responsible functions must be paid liberally, and they must be treated as gentlemen: if paid liberally and treated as gentlemen, I have not the least doubt that the native judges will be found fully capable of discharging their duty. Even now the head native judges are well esteemed. And long ago, when Benares was under a resident, the experiment of liberal pay and suitable rank was for once tried. The native judge there, under Mr. Duncan, was remunerated liberally, rather too liberally perhaps; he got 2,000 rupees a month. And he is still, I understand, remembered with great respect, being indeed considered as good a judge as the country ever had. There must, I think, for the present be a court with an English judge in every district. In the course of time many of these may possibly be discontinued, and the zillah courts, as they are called, might be filled by natives or country-born gentlemen, or if Europeans were settled there, by their children; but in now considering the establishment required for India, we must I conceive provide an English judge to control the native judges in each zillah or other considerable division of the country.

199. Do you think an English gentleman could establish himself in the Lower Provinces, and that if his generation were to continue there, that his family would ever become Bengalese, and that they would maintain anything of European feelings or customs?—I think it is possible; but I should not expect that many English gentlemen would stay after having the means of returning home; but some would stay. The children of many would stay, if attached to the soil by property in land; how far they would have European notions would depend a good deal on how far they were treated as Europeans. Their character must be modelled by the government which rules them, though other circumstances will doubtless influence it.

200. Do you believe that the expense of the college in England might be saved, without any detriment to the public service in India?—I think so; I myself attended it, and I derived very great benefit from it, and I have the highest respect and affection for the gentlemen who belonged to it; but I do not think that I acquired anything there that I might not have acquired elsewhere, if required to do so. We have lately had occasion to compare gentlemen from Hayleybury with those sent out under the late Act without passing through the Company's college, and I must say, as far as my knowledge goes, the latter were not found in any respect inferior to the former; and, on the whole, I have not the slightest doubt that, the service being a very desirable profession, any desired amount of qualification in point of talent and knowledge may be obtained, without the government's being at any expense in communicating it.

201. If examinations were required of all persons appointed to India, would not competent persons be found, and if so might not a very considerable saving be made in point of expense?—Yes; but I should require still higher qualifications than have yet been demanded.

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202. With regard to the military college, would not the commissions be a sufficient reward for persons to qualify themselves for obtaining those commissions; and might not the expense of the military college also be saved?—I should imagine so.

203. Have you ever visited Addiscombe?—I have not.

204. Have you particularly considered the subject?—Yes, but as a civilian, not particularly acquainted with military affairs; and the more I have considered it the more I have seen reason to conclude that the seminaries in question might be done away with.

205. You have stated your opinion with regard to the education of the civil servants of the Company; has the opinion you have stated, that the college could with advantage be dispensed with, been the prevailing opinion of those persons in India with whom you have generally conversed?—I think it has, though I cannot immediately recal to mind many gentlemen with whom I have conversed upon the subject; but I believe the general impression to concur with the opinion I have stated, and that what are called Parliament men are in no degree inferior to others.

206. Is that the opinion of the generality of college men also?—I think it is; and although there are some gentlemen who take from England a considerable knowledge of the native languages, I do not think there is much importance attached to the circumstance. Were I to speak from my own experience I should say, that the languages are so much more readily acquired in the country and among the people, as to make it undesirable to give much time or attention to the acquisition of them here; and private teachers will I doubt not be found if wanted, a knowledge of the Eastern languages being now comparatively common.

207. Is there not great danger of young men remaining in Calcutta, not inclined to study, getting into great expense, and ultimately being obliged to be sent back?—The danger would be comparatively little if a proper selection be made at home, and high qualifications be required; but I have always had the opinion that no one should have been allowed to remain in Calcutta one hour after it was seen that he was not availing himself of the advantages of the college there. That college, also, I consider to be unnecessary.

208. Are you aware that two gentlemen have been recently sent from Calcutta, one a Parliament gentleman, and the other a college gentleman, who were found incompetent, in point of qualification, to engage in the service of the Company?—Yes, I am; and therefore it is that I should require higher qualification than has been yet required. I would also add more years: they have been sent out too young, in many instances.

209. In reference to what you said in objection to Mr. Melvill having stated the 1,300,000 *l.*, the balance of account with the King's Government as a charge upon the territorial revenues; are you aware that that sum was applied to the discharge of a portion of the loan made in 1812, by the Public to the Company?—Yes, I am aware of that, and I believe I mentioned that I thought the two transactions should be kept distinct.

210. Are you aware that the Act of the 52d Geo. 3, c. 135. s. 11, provided that the payments, in respect both of principal and interest of the loan of 1812, should be "considered to be a charge upon the revenues," and that the Act of the 3d Geo. 4, c. 93, s. 4, expressly provided that the balance of 1,300,000 *l.* should be considered "to be a charge upon the revenues;" and is it not therefore clear, whatever may be the merits of the question as a matter of account, that Mr. Melvill, in stating the balance as a charge upon the revenues, has followed the strict provision of the law?—I am aware of the provision in question. But I should interpret that Act as meaning that the loan should be a charge upon the territorial revenues, as distinguished from the commercial funds of the Company; and therefore, although it is entirely proper to charge the territorial funds with the payment of the loan, I do not understand the Act as prescribing the precise mode and head of account under which it is to be brought. I should think the Act would have been fulfilled by bringing it to account as a debt discharged, and this, the principle on which other issues are accounted for, does, I conceive, suggest. If the Act shall be interpreted to prescribe that the sums disbursed or set off in liquidation of the loan shall be included in the charges of the year as balanced against the revenues, and not to permit them to be brought to account as issues for the payment of debt, then Mr. Melvill had no option, in so far as that transaction is concerned.

211. If the 1,300,000 *l.* be credited to the territory, as Mr. Melvill stated it to have been (5807); can it make any difference in the balance-sheet whether that

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that sum, having been applied to the discharge of debt, be so stated, or as a charge upon the revenues?—I should imagine not, if the accounts of the home and the India concerns have been balanced together; but I have not seen any such adjustment.

212. Supposing all the revenues and charges of India to be correctly ascertained, and that the result should show a deficit less than the amount which India may have derived from debt incurred, or from the assistance of commerce; should not the excess be accounted for in the assets; and do you imagine that Mr. Melvill meant anything more than that when he spoke of 885,907 *l.* as remaining to be accounted for on the assets?—I can hardly presume to speak to Mr. Melvill's meaning. I think it is extremely likely that he meant it would or ought to be found in the assets; but I must observe, that until the accounts of the whole concern are balanced, it is uncertain whether the amount will be found in the assets; because, as I have already remarked, if, during the period embraced by the accounts, the Company's government in India advanced for the service of the Crown more than the Crown admits in favour of the home account, there must be a balance to be added to the charges which would disappear from the assets, and *vice versâ*. The sum in question may therefore turn out to be not an excess of receipt to be added to the assets, but a loss to be added to the charges; or the excess of receipt may prove to be still greater, if the sums drawn from the Indian treasuries during the period in question, as advances on account of His Majesty's Government, be less than 1,300,000 *l.* But until the account-current of London and Bengal is adjusted, it is impossible, I apprehend, to say absolutely that the sum of 885,907 *l.* will appear upon the assets.

213. It is necessary, to make a correct account, if the East Indian revenues shows a deficit beyond what it has received under other circumstances, that that should be accounted for in some way so as to show a clear account?—Certainly.

214. You have stated that your objections to government being traders are very strong, and that you are of opinion they should discontinue to trade in India; will you state to the Committee what your principal objections are, and what inconvenience the private traders have found from the competition of the Company being themselves traders?—The first objection I have is, that the government of India has quite enough to do in the political management of the country, without having any concern with commerce; and that I believe they never have paid and never can pay that attention to the commercial affairs of the Company which they ought to pay in order to trade to the most advantage. Then in the interior of the country, although the regulations of government and the constant injunctions of all authorities at home and abroad be directed to the abolition of all unfair advantages, it strikes me as next to impossible that such orders or rules can practically be enforced, the commercial agents as a part of the governing aristocracy of the country, must, whether they will or no, have an influence that does not belong to private traders. Every peon they employ must, in some degree, have a similar influence, and I should think it therefore utterly impossible, even although the regulations should be as strict as words can make them, against any unfair advantage, that a private trader can go into a district in the immediate vicinity of the Company's factory on a footing of equality with them. There cannot be fair competition. If the government agent be a man zealous for his work, he must push his authority beyond its due limits; and if he is an idler and careless about his work, the government must, of course, lose. In both ways I apprehend the system has been found open to objection. My recollection is, though I cannot speak with precision to the facts, that the price of the important article of silk was run up far beyond what was reasonable in consequence of mismanagement and the want of sufficient control over the commercial agent's proceedings; and this in a degree that could not have occurred with private traders. I believe the Company's trade in that article does injuriously impede private adventure. Generally, indeed, the objections to the government trade in the interior strike me so strongly, that I feel I cannot possibly do justice off-hand to the impressions I have regarding it. Even their purchases in the Calcutta market, though far less objectionable, are, I conceive, open to serious objection on commercial principles. The private trader does not know on what he may reckon. The government may come one year with 700,000 *l.* to purchase indigo, and another year, perhaps, purchase nothing. The uncertainty of the amount with which the government, looking to remittance not to profit, may come into the market, must operate to derange private transactions; though the purchase of the article be conducted on perfectly fair terms. I think that all Government

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trade must be a monopoly; and that the moment it ceases avowedly to monopolize it should cease to trade at all. Whether it should monopolize is another question. It has in Bengal long ceased to claim a monopoly in its commercial capacity, and I think it should long ago have ceased to trade in the articles not included in its territorial monopolies.

215. Do your observations apply to the manufacture of saltpetre, opium, sugar, salt and other articles, as well as the purchase of silk?—The manufacture of opium and salt is conducted with a view to revenue, not trade. My opinion is, that of the suggested changes in regard to those articles, there is none that would not involve a large loss of revenue. In the salt department, I do not think we could, by means of an excise, collect the same amount of net revenue as is yielded by the public sales. On commercial principles, I fully admit that there are strong objections to the existing system: but then comes the farther question of the mode of raising the necessary revenue. On the whole, my impression is in favour of maintaining the existing system of monopoly with a view to the revenue. If the salt trade was open, I should at once hold it utterly absurd for the Company to trade in it.

216. In opium the Company has an exclusive trade?—Yes; and from that source also they derive a very large revenue; the excess of the sale prices beyond the first cost constituting such a tax as I should think it hopeless to get by any other device; and though, commercially speaking, there are strong objections to the system, yet we must set against that, the necessity of the revenue; and my belief is, that the same amount of revenue cannot be otherwise got.

217. You have stated that you think salt and opium may be continued monopolies for the sake of revenue; are there any other articles in India that come under the same class?—I believe there is a tobacco monopoly under the Madras government, but I cannot state the particulars: there is none under Bengal.

218. As a manufacturer, do you consider that they manufacture cheaper than they could purchase their gunpowder?—I have little doubt that they long paid for gunpowder more than they need have done, if the country had had a considerable number of intelligent men in it to compete with the government manufacture; and though, as I have said, the article is now comparatively cheap, probably the same thing is still true. The purchase of cotton for the China market I consider to fall under the same rule as the purchase of silk, though not open to the same degree of objection, because the trade is comparatively free. But I should conceive that dearness or inferiority of quality must, in the long run, be apprehended as the consequence of all commercial transactions in which the government engage; knowing, as I do, that the commercial concerns of the Company have occupied very little of the attention of the government, contrasted with the largeness of the sum which has been laid out.

219. And contrasted also with the attention which was paid by individuals to some branches of trade in the different businesses coming into competition?—I should imagine so.

220. From your own knowledge, are the establishments in the different parts of India in which manufactures are carried on, on a scale of more expense or less so than those of private individuals who come into competition with them?—I am not immediately aware of the expense attending the establishments of Europeans in the interior; my persuasion is, that all articles produced by natives, as cotton is, would be brought to Calcutta, without the intervention of any European, if wanted there, and the native establishments are all exceedingly economical.

221. When the government there are about to purchase indigo to the amount of 700,000 *l.*, do they advertise for the whole amount they mean to purchase, or employ agents secretly to purchase the quantities the agents may consider consistent with the interests of government?—The amount to be purchased is always kept secret, or intended to be so.

222. What is the agency under which they buy?—They advertise for tenders of the article wanted to be delivered to their commercial officers in Calcutta, whose duty it is to take the lowest tender, reference being had of course to the quality of the article, which in the case of indigo varies considerably.

223. Are they not obliged to mention the quantities to be delivered?—No, any quantity may be tendered; and the Company's officers have the power of taking or rejecting absolutely.

224. Does the Company reserve to itself the power of taking any quantity that it may choose to name, and reserve also to itself the power of limiting the quantity to any number of hundred weights, however small?—It reserves to itself the power

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of taking any portion of the indigo tendered, paying the sum demanded for the same, and of rejecting any tender at the discretion of the officers employed. The amount to be ultimately taken is not divulged.

225. Does each individual who tenders, in the tender specify the quantity he is willing to supply at the price?—Yes; and without being pledged to anything beyond that.

226. Is not the uncertainty of the Company's demand one reason which you have for thinking they never can conduct their trade with profit?—I think there is some force in that objection, in so far as regards the supply of the market, for the advantageous regulation of which a steady demand seems to be very desirable; and anything which renders the demand unsteady and uncertain must, I should think, operate with prudent men to cause the market to be supplied at a higher rate than if the demand they had to meet were free from such uncertainty. In so far therefore as the Company's arrangements cause uncertainty, they are likely, I conceive, to enhance cost; but as that enhancement of cost will affect all speculators equally, it does not occur to me how it should interfere with the Company's profit on their immediate speculations; although, therefore, steadiness of demand be very important to the general commerce of the country, and therefore to the Company as its rulers, I am not prepared to say, that unsteadiness of demand will occasion a loss to them in their commercial dealings.

227. Are you not aware that when the Company come into the market for large purchases of that kind, private speculations are immediately lessened, and that consequently they purchase at a higher rate than the average of the market for one or two years?—I think it is very likely that they frequently purchase at too high a rate; but I cannot say that I have been able to trace the effect to that cause.

228. Have you never heard that cotton has been often purchased in the interior of the country by the Company's agent, and landed at Calcutta, at an expense of 25 rupees, when the article was selling at 15 or 20?—I cannot charge my memory with the specific sums. I believe cases will be found in which the Company have paid for cotton beyond what they should have paid.

229. Was not that from the abuse of a particular individual?—Probably in a great measure so; but a more than ordinary risk of such abuse seems to be inherent in the system.

230. You state that opium yields an immense revenue, and that you doubted whether the monopoly can be taken away without a loss of the revenue; you have already stated that the market of China, the principal outlet, is supplied by Malwa and Turkey opium?—It is.

231. Are you not afraid that the profit derived from opium in Bengal, may be perhaps influenced by Malwa and Turkey opium coming in competition in the China market, and would not that rather seem to call for a reduction of that heavy duty on Bengal opium, than to keep it up as proposed for the purpose of revenue? —I would not propose that the tax should be kept up at the rate which has hitherto prevailed. On this subject I beg to refer the Committee to a letter of the finance committee in Bengal, in which the necessity of a large extension of supply, coupled with a smaller price, is very decidedly urged. It is indeed clear, that the monopoly profit in Bengal must be measured by the price at which a supply of the drug can be drawn from other quarters, and I think it essential for the security of the opium revenue at Calcutta, that the supply should be considerably increased, and the sale price of course reduced, which is equivalent to a reduction of duty; but I still think that the cost of opium produced in Malwa and brought to Bombay, and the cost at which Turkey opium can be obtained, is such as to leave a balance very much in favour of the produce of the Bengal provinces; such a balance as could not be collected in the form either of an excise or transit duty. And although I anticipate a considerable reduction in the rate of tax, it does not therefore necessarily follow, that there will be a reduction in the amount of revenue.

232. Could not the revenue upon opium, whether a transit duty or excise, or in whatever shape it may be collected, be collected consistently with liberating the export trade from any duty whatever?—If an excise duty were collected, I presume the export would be liberated; if a transit duty in the interior were levied, I suppose the export would also be free on the production of a pass showing that it had paid that transit duty; but I do not think there would be the same amount of revenue collected by any such scheme. The object ought, however, to be kept in view by the local government, and as the rate of tax becomes moderate, and the

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the sale extends, a change of system may become easier. As far as the commerce of the country is concerned, I think the monopoly is a very great evil.

233. Contemplating that the Company shall cease to manufacture, or to purchase any article for remittance to England, do you consider that there will be any difficulty in paying for the advance made to the territory in England, by bills or by remittance of bullion, or how would you propose to repay England for the advances made?—My opinion is, that there ought not to be any difficulty in remitting the supplies, provided the funds exist.

234. What do you mean by if the funds exist?—If the revenue of India be sufficient for the charges both there and at home. Whether the amount for which India appears hitherto to have depended upon England shall be paid from the profits of the Company, I take to be quite a distinct question from that of remittance. In order to remit a certain amount I do not think it can be necessary for the Company to trade.

235. Suppose England to require two millions and a half brought annually from India to pay territorial expenses in this country, do you imagine there would be any difficulty in obtaining bills, and making remittances of bullion to that amount?—I should suppose that the facility of remittance by bills must depend on the course of trade. The discontinuance of the government trade in India, and the freer settlement of Europeans there, would, I think, cause commerce to improve, so that not only there would be no increased difficulty, but we may expect additional security and means of remitting. The goods imported by the Company must, I conceive, take the place of goods that would be imported by individuals. On the whole, I do not apprehend any serious difficulty on the mere score of remitting the sums required.

236. Do you include in that the portion of amount required which would be sent through Canton?—I think that a remittance to England might be advantageously made through China, as is now in fact done by the Company, the drafts of the supercargoes on the Bengal government forming virtually a remittance from Bengal to England. The trade in opium, of which the proceeds in China by the last account were upwards of two millions and a half, seems to afford a large means of remittance by way of China, so long as England shall have a balance to pay to that country for tea and other things purchased there.

237. That would still remain open as a means of remittance, whether the Company traded or not?—Certainly, if the trade continued; if individuals traded with the same success.

238. All that is remitted from China by bills on Bengal takes so much from the exports of that country?—It does not seem to me that the case stands so. The exports must depend on the profit to be made by them. The remittance by bills will diminish the quantity of bullion brought away.

239. In remitting to England the money required to pay for territory, do you take into account the trade to Canton, as a means of making that remittance?—Certainly.

240. You have stated a large amount for stores expended by the Company; are you aware that a great portion of stores may be purchased in India, and thereby the demand on England on that account lessened?—I am not aware that any large portion of the stores can be purchased in a way to lessen the demand on England. A purchase of stores exported by individuals would only transfer it; but if proper encouragement were steadily held out to the manufacture of all articles required by the government, and especially if the settlement of Englishmen in different parts of India were promoted, it is probable that various items of supply might be furnished in that country; still more, that the commercial exports to England should be extended, so as to improve the remittance. As far, however, as the government requires stores from England, it had better, I think, have recourse to the English market rather than trust to the local market of India.

241. Supposing all articles except cannon and fire-arms were supplied by local manufactures, would not that lessen the difficulty in the remittance to pay for territorial drafts on England?—Certainly, to the extent to which those supplies were afforded.

242. Are you able to state what is the amount of stores?—It has varied extremely of late; taking the average, the amount may be stated at about 300,000 *l.*

243. If the remittance for bills in India on England is now 1 *s.* 10 *d.*, and the remittance in England drawing on India shall be 1 *s.* 8 *d.*, will not the interest and insurance make up that difference?—The cause of the difference must, as I apprehend,

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hend, be chiefly the interest; but there is probably always some advantage to the party who advances the cash.

244. You consider that if the Company could obtain bills at that rate, that would be all they were entitled to have?—They should, I think, look to the rate of a bullion remittance; and if they could not get good bills at a rate as advantageous, they should import bullion. Prices would then change, and the consignment of goods, against which bills would be drawn, would become profitable. India cannot, I think, want the means of furnishing the desired remittance, if the government have the funds to remit.

245. You are aware that there is a prejudice against the exportation of bullion; is there any ground in your mind for that prejudice as regards India?—I think there is no sufficient ground of objection to the export of bullion from India, if the government have the funds there. But the state of the two currencies, that of England being gold, and that of India silver, renders the out-turn of remittances from the latter somewhat uncertain. It is difficult to say what the comparative value of the rupee now is, and I apprehend that India must suffer by the price of silver bullion in England.

246. Are you aware that merchants in this country have been led into considerable mistakes on the subject of exchange, in consequence of the difficulty of estimating the relative currency of the two countries?—I was not aware of the fact.

247. Do you know of any difficulty in England drawing on India for what they equire, taking the avarage of a number of years, when the money-market in London would not, as in ordinary cases, provide the means of cash here for bills on India?—I do not apprehend any difficulty, supposing no insufficiency of the government revenue in India; and that does not refer to remittance, but to supply.

248. If that is the case, would you not have the double advantage of the Bengal and the London market for bills; and might not the government very soon lessen the difficulty, by availing themselves of the means of selling bills in the London as well as in the Calcutta market?—I think it would be advisable to use both markets.

249. Have you ever known any difficulty in the Company procuring bills in Calcutta to any amount?—Yes; when the government offered to buy bills, difficulty was experienced in getting them in Calcutta, at any rate they would accept.

250. Are you able to say whether it was above the market rate?—I believe that 1 *s.* 11 *d.* was at the time somewhat above the rate at which bills were to be purchased in the market.

251. With what views have the Company been remitting bullion from India of late years, was it not to check the exorbitant demand?—The view, I imagine, was, that they could get a remittance by bullion better than by bills.

252. Taking bills on England to be the acknowledged means of remitting from India to England, would not bullion be sufficient at all times to check any exorbitant rate of exchange?—I should think so.

253. Considering that opium is a great staple product of India, and that there is a great consumption of opium in China, do you apprehend that there is a great probability of the regular export of opium from India to China continuing for a series of years?—I think there must continue to be a great export.

254. Is opium raised cheaper in India than it is in any other market in the world?—I believe so.

255. Do you not apprehend that, under all circumstances, it is probable a large export trade from India to China will continue?—Yes.

256. Will not the opium trade carried on from India to China always afford to the Indian government the means of making remittances from India to England?—Certainly, so long as England has a balance to pay to China.

257. Must there not, so long as there is a large export of opium from India to China, always be remittances made either from China to India, or from China to England, to pay for that large export of opium which so takes place?—Certainly.

258. Will not bills therefore on England, to the amount of the opium exported from India to China, be always to be drawn in respect of the opium so exported?—I should think that must depend upon the general state of the trade between the three countries.

259. In what manner at present does China pay for the opium exported from India to China?—Partly in the Company's investment, partly in bullion, and partly in goods sent to India, especially to the Bombay side of India.

260. Can you state what is the proportion in which the opium exported is repaid by China to India by direct exports from China to India?—That is fully explained in

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in the Indian Trade Reports, in so far at least as the custom-house accounts can be depended upon. The imports of bullion and goods, and the amount of the Company's bills, will be readily seen from those reports.

261. Would it be possible to remit to this country, to the extent India requires remittance, if the exports from England were equal to the value of the imports from China to England?—If England were to pay China directly for all that she takes from her, there would be room for the intervention of India in the adjustment of the account between them.

262. Would India be assisted in the remittance she was to make?—Not if China has no balance to receive from England.

263. Would it make any difference whatever in the ability of England to make remittance, whether the trade is carried on by one body of men or the other, whether by the Company or by individuals?—I should think not, excepting in so far as the amount and proportion of the trade on either side might alter. An increase or decrease of trade, or a change in the relation of the imports and exports, would of course affect the question.

264. Could it make any difference as to the means of India to remit home, whether the trade between India and China were conducted by a free competition of individuals, or through the agency of the Company?—Not, I imagine, directly; but indirectly, if the exports from England to China very greatly increase, the balance of trade between China and England may be so altered as to render China no longer a part of the chain between India and England; because if England fulfils its obligations to China by goods, that will for a time at least get rid of the necessity of making use of the bullion due by the latter country to India; and *vice versâ*, if by an enlarged export from China to Europe, the debt due to that country be increased, then the trade between China and India may be expected to be still further used as a means of remittance to England. But as to the effect of any change in the mode of conducting the trade with China, I have no means of forming an opinion worthy of the attention of the Committee; for of China I know no more than any other gentleman in London who has paid attention to the subject.

265. The amount of trade remaining the same, the Company must have the same facility of remitting home by bills, by means of the trade of individuals, as they would have by the operations of trade in merchandize, if they were themselves the traders?—I imagine they would have the same facilities. They would of course lose the advantages of the profit of their monopoly; but that, though a very important item, I suppose to be excluded from the question of remittance.

266. Would not the Company labour under this disadvantage, that trade being very much monopolized by a few houses in Calcutta, they would be open to combinations among those houses, as well as to combinations among houses that might hereafter be established at Canton, supposing the Company's trade there to cease; and that those combinations would have the opportunity of doing as they pleased with respect to the rate of their remittance?—I have no reason to believe such combinations have taken place; and I am of opinion, that among the advantages of opening India more completely to British settlers, would be a dissolution of what may be called the monopoly, which, to a certain extent, the great houses enjoy. If the resort and settlement of Europeans had been always quite free to India, there would have been less ground for the fear of combination; since the trade of the country would, I think, have been distributed over a much larger body. It is one of the evils, I think, of the system which has been pursued, that the trade is so largely in the hands of a few, and one of the advantages with respect to the trade which I anticipate from opening the country to Europeans, is the establishment of many new houses. Already, in consequence of the greater freedom given by the present charter, a good many new establishments have risen in Calcutta; and I think, that gradually, if Europeans had the power of settling there freely, and especially of establishing themselves in possession of land, there would be such a variety of interests connected with the trade, as to place the Company out of the reach of any such combination as is apprehended. At present certainly the mass of the trade is in the hands of a few houses.

267. Do not you conceive that those houses are favoured by the Company, so as to prevent the increase of commercial establishments in Calcutta?—There is, I believe, no intention to favour; but indirectly they may benefit by the system, since they have an interest in excluding others from the benefit of the position they hold, under which they have enjoyed what may be termed a monopoly of European intelligence and European credit. On the other hand, being established, with

with old connections and credit, they might gain more by the general increase of trade than they could lose by the competition of new establishments.

268. Is it not the case that the merchants of Calcutta depend very much upon their being on good terms with the Company's authorities?—I do not think that the conduct of the government or its officers towards the merchants of Calcutta has, in any essential degree, been influenced by considerations of personal favour. I may mention, as a case in point, the introduction of the stamp law into Calcutta. Several of the merchants were very active in opposing it; yet although we were, of course, eager for the law, the leading opponents to it received at the very time, or immediately afterwards, considerable advances from the government treasuries to assist them out of difficulty. Those advances were made without any reference to the favour or disfavour with which the individuals were regarded; being indeed given with a view to benefit the trade, and not with a view to any personal considerations; and generally, I should say, the same system has prevailed; so that I conceive the merchants of Calcutta to be little, if at all, dependent on the terms on which they may be with the public authorities in matters of business.

269. Is not a house in India more dependent on the goodwill and favour of government than any house in England would be on the authorities of government under which they live, from the fact of the government in India being a sovereign government and a trading government at the same time?—No, I think not; I think they are quite independent as to all essentials.

270. In the course of the transactions of government, either in advertising for bills or advertising for goods, has any suspicion ever attached to the government in India on the part of the merchants there, of any individual merchants knowing the intentions of government, or of any practices in the course of that proceeding that might be considered corrupt?—I am not aware of any such suspicion being entertained. I have heard it whispered that sometimes the merchants got information as to the quantity of indigo which the Court of Directors had ordered to be purchased, but how they got it nobody could tell; probably from some of the underlings. It was never, I believe, suspected to come from the government, or from any officer of rank.

271. Have you never heard of any house in Calcutta speculating in any article or in exchanges, in anticipation of a contract on the part of government, which has been subsequently published?—No, I have not.

272. Nor any suspicion of that having been done?—No.

273. Would it have come under your cognizance if it had happened?—I think I should have heard of it.

274. In what department of the government is the business of remittance usually transacted?—In a matter of remittance, if there were any discretion left in regard to the amount, or the mode in which it should be effected, the question would be settled in the financial department. But the purchase of goods rests entirely with the commercial department; to which, after any finance questions touching remittance had been settled in the former, the resolution for the investment of the amount to be employed in purchasing indigo or any other article of trade would be transferred.

275. The accountant-general and the managing secretary would generally exercise their discretion?—The orders from home relative to the investment have generally been such as to leave little or no room for the exercise of discretion. When there has happened to arise a question as to whether and how the funds could be raised, the accountant-general and the financial secretary have been expected to state their opinions on the point, without having anything to do with the purchase of goods. And although the principle has been laid down very strongly from home, that the Indian government ought not to rest on England for financial aid, we have sometimes seen reason, in Bengal, to urge an opposite course. Thus I was on one occasion under the necessity of recording an opinion against a remittance of bullion, though ordered by the home government, but the decision rested with the Governor-general in Council.

276. Ordinarily speaking, do not the orders go out from home, stating in what commodities the remittance should be made?—Yes, all commercial letters are directed to the commercial department; and as the territorial has been indebted to the commercial branch, the latter has appeared to be entitled to require the utmost investment that might be thought expedient, till the debt was exhausted.

277. You stated the inexpediency of the Indian government raising money in this country, and showed the enormous loss arising from that transaction; you now state

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state that you recommended that we should raise money in England for particular purposes?—I fear that in India we were generally too ready to lean upon England. But the recommendation adverted to was made at a time when it appeared that money could easily be raised in England at a low rate of interest, and when there was reason to apprehend that the required supply could be obtained in India only on comparatively very disadvantageous terms. The loan of 1812 was raised under very different circumstances; and the loss was in a great measure occasioned by its being raised through the means of three per cent. stock, with the obligation of discharging it by a sinking fund.

278. What do you consider to be the effect on India, paying as it does a tribute of above three millions to England annually, including private fortunes, what will be the consequence to India ultimately?—I consider it to be a disadvantage to any country to have to pay tribute to another; and among the advantages of governing India by natives, and of encouraging British settlers, one I think would be the lessening of the amount of that tribute. But I do not think that the burthen ought to weigh oppressively on such an empire as India, if its capabilities of furnishing produce be duly improved, and if England will take on equal terms the goods which are furnished.

279. How would you make the remittance to this country in bills?—I should periodically advertise the amount required, and invite tenders both in this country and in India, with the understanding that none would be accepted at rates less advantageous than a bullion remittance. If the remittance were established as a permanent system, I should imagine that the arrangements of merchants at home and abroad being made accordingly, no serious difficulty would be experienced in forming those of the government, and any delay that might occasionally arise from the necessity of remitting bullion, might, I conceive, be met by temporary loans from wealthy individuals or establishments.

280. How are you to judge of the bills to be sent home?—If adequately secured by goods, bills would be safe from whomsoever taken. But I should think that bills drawn or accepted by wealthy individuals might be taken without security.

281. Who is to judge of the wealth of the individuals?—The officers employed must be allowed a certain discretion, as I believe is done in remitting money from one kingdom in Europe to another by means of bills. In some cases the security of fixed property in India might be given; and when the bills of lading are required, I should think it too strict as a general rule to advance only three-fourths of the value. But in the present condition of the trade of India there are circumstances which may require particular precaution.

282. Are you aware that in the remittance you are speaking of where three fourths were taken, the indigo sold under the value of three fourths after all?—Yes, I was aware of that circumstance; and the course pursued may doubtless be justified in the particular instance. But I should still doubt the fitness of such a general rule; especially if the trade of India were in a natural state.

283. Supposing you had a tender of a certain number of merchants' bills, would you have a power of saying, I will take such a man's bills, but refuse those of another merchant, would you suppose any individual could be placed in a situation to make such a selection; for instance, suppose some years ago you had been drawing on this country to a large amount, and Messrs. Palmer's house with others, had given in tenders, could you at that time have refused to have taken the bills of Messrs. Palmer?—Unquestionably difficulties would be experienced at present if any bills were to be taken in Bengal without security. But the rules with the officers of government would have been, that if entertaining any doubt as to the safety of a house, they should reject its bills, or require security. But the security of property on the spot might probably have been taken.

284. Would not any one house in Calcutta being in the predicament of not having its bills taken by government, be immediately condemned as a house out of credit?—It certainly would have that effect, if the matter were not kept strictly secret.

285. Supposing your mode to be followed of taking the bills of these houses at Calcutta; if they were taken without any security, the government being from year to year in the constant practice of remitting this large sum, would not the consequence be that the Company would permanently be interested in the fate of those houses at Calcutta to a considerable extent; could it be done in any other way so as to exonerate the Company from that permanent responsibility, unless the bills were

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were accompanied by security?—With the exercise of a sound discretion that risk might possibly be obviated or much diminished. I suppose security to be taken in any case of doubt; and I do not think it need be known when the bills of any particular house were rejected, unless the parties chose to make it public. The arrangement would be easier if establishments of respectability became more numerous; and already the number of houses has considerably increased, and I have little doubt but that the number will go on increasing. And if a discretion were left with the officers employed to purchase bills, I should think they might exercise it so as not to injure private credit, and yet to secure the Company, provided they acted upon a broad rule, that no bills should be taken to which the slightest doubt attached.

286. Could the government, having so large a sum constantly to remit, refuse what might be called bills of average credit in Calcutta; could they confine themselves to the undoubted property in the place?—That must depend greatly on the amount they remitted in the shape of bills.

287. Should you look chiefly to the money-market in Calcutta, or to the money-market in London?—I should conceive that the money-market of London, and the credit of English houses, might be greatly relied upon when once the system of remittance was established as a permanent arrangement.

Martis, 28° die Februarii, 1832.

THOMAS HYDE VILLIERS, ESQUIRE, IN THE CHAIR.

Holt Mackenzie, Esq. called in; and further Examined.

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288. IS it your opinion, that as the necessity of making large remittances to the continent of Europe during the periods of war in this country, has led to great exports of merchandize for the purpose of realizing sums on the Continent, so the necessity of making remittances from India to Europe has led to a large import of opium into China; and do you not consider the opium trade as very much promoted by that necessity of making Indian remittances?—I should apprehend not, since a great part of the opium is paid for in bullion; and if the price in China be sufficient to enable the Indian merchant to realize a profit, bringing bullion to India, I should take that as sufficient proof that the trade is in what may be called a natural state, and depending upon the effective demand of China alone, without any reference to the necessity of making a remittance to England, though a portion of the demand of Bengal against China is very conveniently transferred in the payment of a portion of the debt due to China by England.

289. Do you mean that in China a portion is paid in bullion, or that in the immediate export of opium from India it is paid for in India in bullion to the Indian merchant?—I referred to the payment in China.

290. You mean that the opium exported to China is paid for in China with bullion?—Yes, excepting that portion which is paid in goods and in Company's bills; but there is still a large balance paid for in bullion.

291. Is the mass of bullion which forms the payment for the opium, do you apprehend, re-invested in China in the purchase of teas, or does it form an article of export from China?—Partly both. A portion is invested in teas, almost the whole of which may be considered as represented by the bills drawn by the Company's supercargoes on Bengal; a large portion remains to be paid for directly to India by merchandize sent to that country, and by an actual remittance of bullion partly to Bengal and partly to Bombay.

292. Do you attribute the large increase in the opium trade which has taken place since 1830, the increase being from 500,000 to nearly 3,000,000, to an increasing demand of the Chinese for opium, or do you attribute it in any manner to the trade being forced to find remittances from India to Europe?—I consider it to depend entirely upon the demand of the Chinese; and that the circumstance of their paying a large balance by an actual remittance of bullion, may be considered as conclusive evidence that the trade is not forced by any circumstance, such as

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that adverted to. From such accounts as we have from China, I am led to believe that the taste for opium has very much increased, and especially as the price has fallen. I have no doubt, however, that gradually the smugglers have become more skilful, and the government officers possibly more corrupt; and it has been said that the use of opium having extended to the palace, there has been some relaxation of the law in practice, if not avowedly: but in regard to the circumstances of China, I do not consider that I have had any advantage in gaining information above gentlemen residing in this country.

293. Has the price fallen materially of late years in China?—Very greatly.

294. From what price to what price has it fallen?—The price has varied extremely; I recollect it upwards of 2,000 dollars a chest, and I believe it has now come down to 700 or 800.

295. Principally from the competition of Malwa opium?—Principally from the competition of Malwa opium, and the greater extension of the supply of Bengal, in consequence of the government of Bengal seeing the necessity of meeting the Malwa opium by reducing the price, or supplying the market so largely as to produce that effect.

296. Is it not important for the permanent continuance of that branch of trade that the opium should be supplied from India at a moderate price, yielding not more than a reasonable profit upon the cost of production; and is there not a danger that if an artificial price be placed upon it by limiting the trade to the Company, other countries may be tempted to engage in the growth and trade of opium with China?—There is certainly very serious danger, unless the price is so moderate as not to afford an excessive profit to opium brought from other countries than Bengal. The extent of profit which the Bengal government can realize upon its prime cost seems to me to depend upon the cost of production in other quarters; and that if, as we suppose, it can be produced much cheaper in the Bengal provinces, or rather I should say, brought to Calcutta at a much cheaper rate than it can be brought to any other port of export, the difference between the cost of the Bengal article and the Turkish or Malwa opium at the port of export may be secured as a monopoly profit to the Company; but beyond that I conceive it impossible that the Company can derive a permanent revenue from opium.

297. Would there not be much greater facilities for making remittances to India if the number of commercial operations between India and Europe were multiplied: you are aware that, at present, they are to a certain degree fettered by limiting the number of Europeans who can settle there, and also by the interference of the sovereign power in commercial operations, either direct or indirect. The general question is, whether making remittances from one country to another is not materially facilitated by increasing to the utmost extent commercial operations between the two countries?—I should imagine that the remittances may be very greatly facilitated by that means, particularly as there seems reason to think that articles of export from India may be produced more abundantly. In proportion as general trade is extended, the facility of remitting will, I conceive, be increased. The means of remittance at any particular time depends, of course, chiefly upon the balance of trade; but I should think that, in the long run, the power of remitting a given sum must be found to be in proportion to the aggregate trade upon which the remittance may have to be effected, and that the tribute due by India to England will less materially affect the exchange in proportion as the trade is extended.

298. If Europeans were allowed to hold lands in India, might not that materially facilitate the giving security for the bills which, in a former answer, you have contemplated that the East India Company might purchase for the purpose of making remittances to Europe?—I should think greatly; but that would depend upon the degree in which the holders of lands were themselves exporting merchants: probably, if not themselves exporting merchants, they would be connected with others whose credit and theirs would go together; and one essential facility, I should think, would result from the connection between persons settled in India and respectable houses at home, who would grant credits to enable them to negociate bills, as funds might be required by them in India; in the same way as, I believe, Americans and French now bring to Bengal letters of credit from houses in London. I should think, in truth, that we may safely assume that the matter would soon settle itself; and it strikes me as clear that everything which adds to the wealth and trade of India and England, must facilitate all dealings between the two countries, and remittance among the rest.

299. Do

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299. Do you think it would be more injurious to the credit of mercantile houses whose names appeared upon the bills, that the Indian government might reject, in exercising its own judgment as to what bills it shall or shall not discount, than it is to the credit of merchants in this country to have the bills they send to the Bank for discount rejected, as constantly happens?—No, I am not aware why it should be; and of course the danger of any such consequence would be greatly diminished if the number of establishments multiplied, as I have no doubt it would, and if trade was less confined to particular houses, resting upon what may be considered rather an insecure basis, I mean trading chiefly upon credit, with comparatively a small amount of proper stock.

300. Is not the amount of the annual remittances to this country nearly stationary, owing to its being required principally for paying salaries for past services in India?—The Company's remittance has hitherto varied considerably, but chiefly from its being connected with the payment of the capital or the interest of the loans. Of the Bengal registered debt, the only loan remaining, the interest of which can now be demanded as of right, is what is called the six per cent. remittable loan, and on that score there ought hereafter to be little fluctuation. The principal of the debt is indeed also demandable in bills when it shall be paid off, and any arrangements for the discharge of that debt might certainly occasion a very great and sudden demand for remittance; but the payment of the loan depends on the will of the government; and excluding the contingency of its being discharged, the Company's remittance will, I imagine, be hereafter steady, though it may gradually increase if measures be not taken to limit it.

301. If the Company's remittances varied but little from year to year, do you not think that attempts would be made by merchants to provide bills, to meet those remittances; and would not the constancy of the demand for bills, and the amount being well known beforehand, be very likely to regularly secure the means of making the remittances?—I should think so; and I consider indeed the experiments which have hitherto been made to be no fair experiments, from the circumstance that they were adopted as temporary expedients, without any systematic plan directed to the object of effecting remittances through private channels, and that the merchants had no sufficient warning to enable them to make their arrangements to meet the government demand.

302. With regard to the inconvenience which may at present arise, either to finance or commerce, from the separation of the Ceylon government from that of India, what are the advantages that you contemplate would result from combining the government of the two under one head?—I should think that if Ceylon formed part of the general government of India, its administration might probably be placed on a more economical footing; and the trade of the island, and of the adjoining districts of India, would probably be promoted by the abolition of duties likely to interfere with their commercial intercourse; whereas the arrangements of the two governments are now, as far as I understand, made without any reference to their joint interests as part of the same national concern.

303. With reference to the explanation you have before given of your views as to the present amount of Indian revenue covering the increased amount of charge that might arise in times of war, do you consider that taking the average of the revenue for the last 10 years, that the charges incidental to war would be sufficiently covered by that average, taking into consideration all the reductions which good economy would suggest?—I had not immediately in mind the period specified; but taking the amount of revenue which, from the average of the past, may be fairly reckoned upon, and supposing reductions to be effected to the extent to which I think they may be made, indeed not going beyond what I believe the government to be now actually doing, I see fair reason to think that there will be sufficient means; but as I said before, any prospective estimate must be given with the greatest uncertainty. I think that the expenses of Bengal must very much fall short of the revenue.

304. You stated that by the conquests that had been made by the Bengal government, further security had been given to our frontier in every part of it; and that, therefore, there was less apprehension of having the frequent wars that existed in former periods. From that view of the case, might you not be led to expect that the charge for war would be lighter than it has in past periods been?—I should think there is fair ground for expecting such a result. I consider the

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position of British India to be much improved by the circumstance I have mentioned; and that the chances of war have greatly diminished.

305. And therefore the sum to be set apart for insurance against war, would not require to be so large as in former periods?—Not so large, certainly.

306. Have you considered at all, in the event of the China trade being thrown open, what would be the practical means by which the remittances from India to England could be effected through the China trade?—I have already stated that China pays to India a considerable balance in bullion, and China has a balance to receive from Europe, to which India has a debt to discharge. In proportion, consequently, that Bengal can transfer to England its demand upon China, in that proportion will its remittance to England be facilitated.

307. Would you then propose that the importers from India to China, instead of bringing back bullion from China, should draw bills upon England, and receive by that means the corresponding amount?—With his bullion he might purchase bills on England from a party exporting goods to this country from China, and then effect his remittances to India by means of such bills instead of bullion.

308. The question had reference to the means of extending the bill market. supposing the government of India to give up the remittance of goods: how would you bring the Canton market within the means you have stated?—The bills purchased in China with the proceeds of opium or other Indian goods, being sold in Bengal for cash, and they might be purchased there by the government, would form a remittance from India to England: or an agent of the Indian government in China might purchase bills on England with money raised by the sale of bills on India; or parties accredited by houses in England might be empowered to draw from China on Bengal, on the condition of a corresponding sum being made good to the home treasury; and other arrangements would probably suggest themselves in the course of business. The question, indeed, how far China could facilitate the remittance from India to England more than it now does, would depend upon how far the trade was increased, and on the state of the balance between that country and Europe.

309. You state, that when the government of Calcutta accept bills upon London, they accept them only to the extent of the value of three-fourths of the cargo, and that the cargo, on arriving in London, is security for those bills. How would you make the same security, or an equally good security, applicable to bills accepted at Canton?—The same security might be required if an agent of the government were to take bills at Canton. But probably that would not be necessary, if the remittance were settled on a permanent plan.

310. Do you suppose it possible, consistent with good faith and the engagements of the Company, to make any considerable portion of what is now paid by the Company in England, payable to the parties themselves in India?—A considerable portion of what has been paid in past times, has arisen from interest of debt which was only demandable of right in Bengal, and in so far as the interest bills from Bengal have exceeded what belongs to the remittable loan, which is between 8,000,000 and 9,000,000, bearing an interest of 6 per cent., payable, in the case of proprietors resident in England, by bills at 2 *s.* 1 *d.*, to that extent the amount paid at home exceeds what is necessarily remitted through the government treasury. Government has also occasionally remitted a good deal of the principal of the loans; the whole of that was of course a matter of option. And although it is extremely desirable to get rid of this remittable debt, which bears an interest of 6 per cent., the discharge of which might throw a large demand upon the English treasury, that is a matter, which being entirely within the option of the government, may be considered quite separably from any question relative to the ordinary demand for remittance which the Company has to meet: of that demand there will be a considerable decrease in the item of interest.

311. Do you mean that there will be, or that there may be?—That there will be; the order has already passed putting a stop to all remittance of the interest of the 5 per cent. loans.

312. In a financial point of view, what is your opinion with regard to the currency in India; do you think it should be one currency for all the Company's possessions in India, or that each presidency should have its peculiar currency?—I certainly think it should be one currency for all India.

313. Will you state the advantages to be derived from that?—The saving to government of the expense of re-coinage, in the case of a remittance, which frequently

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frequently happens, of money from one part of the country to another; and the loss and inconvenience to private merchants and others who have to make remittances in like manner, would be obviated; whereas now the rupees of one place are received merely as bullion in the other, and excepting at the mints, are not legal tenders at all. The troops when moved from place to place are particularly subject to inconvenience and loss from this cause; and Government has been occasionally embarrassed in providing the funds locally required, with the promptitude necessary to the public service. The pay of the troops being calculated in a coin not current in Bengal, there is occasional trouble in the conversion of accounts; and officers and serpahees complain when they receive a less number of rupees than their stated pay, though the intrinsic value be even greater. Probably if we had but one currency the mint expenses might be reduced. I think it likely, indeed, that we might discontinue the mint at Madras; but on that point I have not been able to form a conclusive opinion.

314. Exclusive of the profit to the Government, you think that the trade universally would be very much benefited by such a change?—I do; the unnatural distinction of currencies must aggravate the fluctuations of exchange, and by the charges of recoinage frequently occasion a burthen to commerce that would not otherwise exist.

315. You are aware that very considerable expenses have been incurred of late in providing mint apparatus?—Yes, both in Calcutta and Bombay.

316. In your opinion, would a very considerable saving in that respect arise?—I should think so.

317. What is the legal tender in Calcutta?—The silver coin is the Calcutta sicca rupee; the gold mohur is also a legal tender for 16 rupees; but as the relative value of gold in the market has risen much above the mint rate, and the mohur consequently may be sold sometimes for 18 rupees, it has ceased to be a currency; and therefore, practically speaking, I may say that the only legal tender is the Calcutta sicca rupee.

318. Is that a coin?—Yes.

319. Then the gold coin sells at a premium?—Yes.

320. At what premium does it sell?—I have known it one-eighth.

321. Does it exist in a considerable quantity at Bengal?—A considerable quantity is supposed to exist, being hoarded by the natives, who also use it in making ornaments.

322. A person having engagements at Calcutta to pay in rupees, the individual is not bound to pay anything but the silver rupee, is he?—No.

323. Practically, is there much foreign coin, Spanish dollars, or any other coin, in circulation at Calcutta?—None in circulation.

324. When it arrives, what becomes of it; is it sent to the mint to be coined, or what becomes of it?—That depends much upon the state of the exchanges. Formerly the greatest portion was coined in the mint, the rest being exported chiefly to the Company's possessions in the western provinces, and the native States in Hindostan. Lately, since the import of bullion has become less considerable, and there has been a demand for remittance to England, the dollar and other foreign coins are, I believe, purchased for remittance, instead of being sent to the mint for the purpose of being coined.

325. Since what time has the sicca rupee been the legal tender of the country as a coin?—The sicca rupee has been a legal tender in Calcutta ever since we acquired the country. The present sicca rupee bears the date of the 19th year of the last king. There were three rupees; the current rupee, the sonat rupee, and the sicca rupee. But previously to A. D. 1773 the rupees were distinguished by the years in which they were coined; that is to say, the impression bore that they were struck in such a year (*sun*) of the reigning king of Delhi; and after circulating four or five years they suffered a depreciation, whether they had lost weight or not, being reckoned sonat rupees, *i. e.* rupees of years. These, with several other coins, continued to circulate at different rates of discount, and accounts were kept in a nominal coin called the current rupee, which was probably taken at the rate of 116 to the 100 sicca rupees, to represent the average of the currency actually in circulation. The first step to reform was a resolution that all rupees coined in future should bear the impression of the 19th year of the reign of Shah Allum, so as to put an end to the arbitrary distinction previously made to the coinages of different years; and in 1792–3 the sicca rupee was by the rules contained in Reg. 35 of the Bengal code, rendered the only legal silver currency for the

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the provinces of Bengal, Behar and Orissa. The sonat rupee is still used in the military accounts, the pay of the Bengal troops being reckoned in it; it is considered as equivalent to the Furruckabad, Madras and Bombay rupees: the discount on issues of Calcutta sicca rupees being the same as the old rate of depreciation, viz. 4½ per cent.

326. Was that depreciation the effect of wear, or was it sweated?—It was partly real and partly nominal. It was generally supposed that while the rule continued very considerable profits were made by money-dealers, who gathered the old rupees before they had lost weight, and bringing them to the mint for recoinage obtained their full value. That practice was put a stop to by the resolution to coin only rupees bearing to be struck in the 19th year of the Emperor Shah Allum.

327. In what year was that?—I do not immediately recollect the date. It was about A. D. 1773, but the reform of the currency of Bengal was not finally provided for until the system described in the code of 1793 was established; since that time all other rupees but the sicca rupee have been received as bullion, and not re-issued by government. The sicca rupee used to be receivable as of full weight, only if the deficiency did not exceed six anas (6-16ths) in 100 rupees. Since 1818 the limit has been extended; a deficiency of two pice, *i. e.* 2-192 parts, or about two grains, being allowed in each coin. If the deficiency be greater, old rupees are received only as bullion, but they are not subject to any mint charge for recoinage: whereas other silver bullion has, since 1812, been subject to a seignorage duty of 2 per cent.

328. Are the Committee to understand that the present law with respect to the mint is, that there is a 2-per-cent. charge upon silver, and that the old coins are coined without expense?—Yes, that is the present law.

329. They give them the same weight as the old rupee?—Yes.

330. That being the state of the case, does there exist only the sicca rupee in circulation throughout the country?—The Calcutta sicca rupee is the only legal currency in Bengal, Behar and Orissa.

331. And the sonat rupee and all the depreciated rupees have gone out of circulation in consequence?—Not entirely: in the remoter districts, and in the dealings of the poorer classes, different rupees appear still to be in circulation; but the mass of the currency is the Calcutta sicca rupee.

332. Does the sicca rupee pass now without any difference of value arising from the different years in which it has been coined?—Yes, because the impression upon the rupee has ceased to express the year.

333. So that the distinction made by the natives was a distinction arising more out of prejudice than out of any difference of intrinsic value?—I imagine it arose partly out of a difference of intrinsic value, partly out of prejudice, and partly out of the arts of the money-dealers, who were gainers by the belief of what was not the fact, and whose influence on the mind of the public has always been great in India, with regard to all such transactions.

334. Is the sicca rupee a legal tender by tale, under which a person having a claim against another in Calcutta of 100 sicca rupees, may pay them if he pleases by 100 of the current coin?—He may pay private demands by tale, provided the deficiency does not exceed the prescribed rate of two grains, or 2-192 parts, in any one rupee. All coins are still received at the government treasuries, in liquidation of demands by government against individuals, as bullion, although inferior in weight.

335. In the transactions between individuals are they legal tenders, if allowance is made for deficiency in weight?—No, they may reject them.

336. Be so good as to state to what extent of India this state of currency is applicable?—The same rules prevail throughout the British territories, but the Calcutta sicca rupee is confined to Bengal, Behar and Orissa, and the countries adjoining to Bengal, which were conquered lately from the Burmese. In these recent conquests the Calcutta rupee is I believe generally current; but I am not able to say to what extent the old coins are still prevalent. It has been the object of government to introduce the sicca rupee, and it is the only currency in which accounts are kept.

337. Does the same state of things exist out of the Company's territories, within the districts that are not belonging to the Company, but are merely tributary?—No; in general the state of currency out of the Company's territories is very irregular.

338. Each

338. Each sovereignity has its own rupees?—Yes.

339. Do they vary much?—Very considerably.

340. Are they upon a very bad footing, complicated and inconvenient?—There is much inconvenience from the number of them, and from the limited extent of country for which each is current.

341. Do those separate governments ever play tricks with their money by raising or lowering its value?—The value has undergone considerable fluctuations; but whether from fraud or not I cannot positively say.

342. Did not the government a few years ago increase the weight of the rupee, leaving the quantity of silver the same, and increasing the weight by alloy; and for what reason?—Yes, in the year 1818, by Reg. 14. The chief reason was that the rupee being much purer than other coins, and more especially than the Spanish dollar, of which the import into Calcutta was large, a considerable expense was incurred in refining, and some delay occasioned. It was thought particularly desirable to give its full value to the Spanish dollar, minus the government seignorage.

343. Was there any depreciation in the pure silver?—None.

344. Has the better principle of our own currency in India had a tendency to increase the extension of that currency into the states of the native princes; is it spreading?—I am not aware that it spreads from that cause; the Furruckabad rupee, which is struck for our Upper Provinces, has spread considerably, but I believe the cause to be the course of commercial intercourse.

345. Is not all the pay of the military, whether they are paid in the provinces or Calcutta, calculated in sonat rupees?—Yes.

346. Are not you therefore, in making up your accounts, invariably obliged to charge the batta?—Yes.

347. Does not that complicate all military accounts?—It does.

348. When you left Behar you came formerly upon the Benares rupees?—Yes.

349. Has that been abolished?—Yes.

350. Was not the Benares rupee circulated as sonats?—Yes, both the Benares and the Furrukabad rupees.

351. Would not one uniform coin, wherever the Company's troops and civil establishments exist, be very advantageous in every point of view; not only as regards commercial dealings, but the pay of the Company's servants?—I think so, particularly in the pay of the troops; since, when they come into Bengal, Behar or Orissa, they are now paid with a deduction from their nominal pay, which is of course a very unpopular thing, not only with the native troops, but with every officer whose 100 rupees are converted into 95 and a fraction.

252. Does he get the same quantity of silver?—Yes, rather more, but that does not prevent complaint nor inconvenience.

353. Do not frequent remittances on public account take place between the different presidencies in India?—Yes.

354. Is it done by bullion or by bills?—By bills, if they can be negotiated on favourable terms, if not by bullion.

355. What is the value of the Madras rupee as compared with the Bengal?—The difference is about 6 ⅞ *d.* per cent.; the one weighing 192, and the other 180 grains troy.

356. In Bombay again is not the rupee different?—The Bombay rupee now has been put on a footing with the Madras rupee; it formerly was a trifle less valuable.

357. Is the Madras rupee coined at Madras by the government?—Yes.

358. By a mint sent out for that purpose?—No; the mint was built by the government there.

359. Are the Bombay rupees also coined at Bombay?—Yes.

360. From the manner in which the territories now under the three presidencies mix together, are not the troops of one presidency frequently placed in a territory belonging to another presidency; and do not the payment of the rupees, differing so much as they do, occasion great perplexity and great trouble?—The troops of one presidency are not often in territories belonging to the other presidencies, but they are so posted as to render it convenient that we should be able to supply the troops of all indiscriminately from the treasuries of either.

361. Have you any opinion as to whether gold should be made a tender with silver, or whether silver should continue the currency, from what you know of the manner in which the natives view the two metals?—I think silver should continue the currency, and that gold should be left to fluctuate as an article of merchandize.

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362. Are you aware of the expense to the government, or charge of coinage in Calcutta?—I cannot immediately state the net charge. When the importation of bullion was considerable, the mint not only paid itself, but yielded a certain net profit: it is now a source of considerable expense; but of course the result depends upon the quantity of private bullion brought for coinage.

363. Have you directed your attention to whether the rupees might not be coined in England, provided there was one coin in India, with greater economy than in India?—I have not much thought of the practicability of such a scheme; though the matter has casually occurred. It has seemed hitherto that the demand of private individuals for a coinage of the bullion brought by them to our mints has been so great as to require that an establishment should be kept up; and if an establishment be kept up at all, it appears to be better, and even economical, that it should execute all the work that is to be done.

364. Do you consider that there would be any considerable difficulty in establishing one coin throughout the Company's possessions?—I do not think the difficulties are insuperable, or such as ought to dissuade the Government from adopting the measure, considering the advantages to be derived from it.

365. If you made the attempt to assimilate the coins, would you take the sicca or Bengal rupee, as that coin?—I should take a coin equivalent to the Madras rupee. It is within a trifling fraction of the same value as the Furruckabad rupee, and it is also equivalent to the Bombay rupee; all the three rupees being considered equivalent to the sonat rupee, in which the pay of the troops in Bengal is fixed. The local currency of Bengal, Behar and Orissa, ought, I think, to be discontinued; and although the permanent settlement has been fixed in that currency, and in it all the government loans, as well as all individual engagements within those provinces, are expressed, I do not apprehend that the difficulties arising from that cause ought to stand in the way of the measure: and all engagements should, I conceive, be converted from one currency into the other, on the principle of intrinsic value.

366. You conceive that the holders would understand the change which should take place?—The holders of the public securities would certainly understand it.

367. You would avoid the change which would affect the lower class of people, who, taking things by their name rather than by their intrinsic value, would not understand the nature of such a change?—My chief reason for preferring a rupee of 180 grains to the Calcutta sicca rupee is, that the circulation of the former is much the most extensive. It is common to the presidencies of Madras and Bombay, and in the Bengal presidency, to the province of Benares and all the country to the north-west. It is the rupee in which the pay of the army is expressed, being issued at par with the sonat rupee; and in its general use would obviate the necessity which now is experienced in Bengal, Behar and Orissa, of taking a batta of discount from the troops, when paid in Calcutta sicca rupees. We shall thus remove a cause of complaint; whereas, if the Calcutta sicca rupee were taken as the general standard, that ground of complaint would be much extended, unless a large addition to the government charges was made by issuing it at par with the sonat.

368. What is the ordinary rupee of account?—The Calcutta sicca rupee.

369. Would it not be necessary to make a remission to the zemindars, or take a greater number of rupees?—I conceive that a greater number of rupees might be taken without any serious objection.

370. Do you think there exist any means of ascertaining the loss which the Company now suffer by being obliged to import bullion received from one presidency, in order to convert it to the presidency for which it is sent?—No, I imagine not very accurately.

371. Have you any opinion as to increasing or decreasing the seignorage in order to pay the expense of the mint, so that it shall not become an expense to the Government?—I think the seignorage might be somewhat raised. The chief difficulty that I have on the subject of seignorage, is the facility of imitation. I do not apprehend that an additional 1 per cent. would enable individuals to imitate the rupee; but the effect on exchange must be also considered, and I should be against a very considerable increase.

372. Might not the rupee be coined in Europe and exported, if the seignorage were placed too high?—It would be necessary to attend to that consideration. Probably some opening or point might be formed from experience of the practical effect of the seignorage levied on silver coin in this country; making allowance for the restriction of its currency as a legal tender for small sums only.

373. Are the Committee to understand that your opinion of the amount of seignorage is that it should be the cost of manufacture as nearly as possible, and so as not to encourage counterfeit coin by carrying it beyond that limit?—That seems to me the proper general rule; but if the cost of manufacture in India should exceed 3 per cent., we must, I think, be content to bear the loss, instead of charging a higher seignorage.

374. Should you suppose it probable that coin manufactured in Europe with the best manufacture, and by the best artists, would be likely to find any imitators in India, so as to endanger coinage?—No, I apprehend not; indeed one great object of getting for the Calcutta mint the machinery which was sent from England, was to obviate the danger of false coining.

375. When the English had possession of the Burmese territory, are you aware in what way they found the payments there, and whether they met with any difficulty in taking the Indian currency?—No, I am not aware of any such difficulty having been experienced.

376. Is the coining of false money a crime prevalent in India?—There have been frequent instances of false coining.

377. How is it punished?—If committed by a person amenable to one of the King's courts, it is punishable, I believe, by transportation for life, or by imprisonment for a period not exceeding four years; in the criminal courts of the country it is punishable by imprisonment, or banishment from the district, for the term of 14 years.

378. Do you remember, within your own recollection, as many as six, eight or ten cases?—I remember several instances in which complaints were made of the appearances of false money; I do not immediately remember any conviction for the offence. In some cases it was supposed that the false money came from the Oude territory.

379. Is there much false coin rejected at the bank, or at the public offices?—Not, I believe, to any great extent, though there are frequent instances of it.

380. In what shape is the bullion exported to India; is it in bars, or is it in dollars?—The bullion imported into Calcutta consists chiefly in Spanish dollars; that brought from China is partly also in lumps called sycee silver, fine silver: from the Persian and Arabian Gulfs, the imports consists chiefly of different coins: from Europe and South America, the import has been made partly in ingots and partly in coin. Gold dust comes from the Eastern Islands.

381. Have you ever considered what would be the effect, as a measure of economy, of endeavouring to make half and quarter dollars circulate as currency in India?—No, I have not.

382. Might it not be attended with great saving to coinage if a coin current in all the world were made an Indian currency?—I apprehend that any addition to the number of the coins current would be a source of vexation and annoyance to the people, and that our great object should be as far as possible to simplify the currency; the poorer classes are always subject to loss in exchanging money.

383. Do Spanish dollars circulate at their value?—In Calcutta they have ordinarily obtained their mint value, excepting when there has been a considerable demand for remittance, and then they have risen to their intrinsic value; they do not properly form part of the circulation, but their value is well known throughout India, and in the remotest districts I believe the money-dealers will readily purchase them, though they are not received in payments in the market.

384. Can you state at what period the increase in the value of gold currency compared with that of silver took place?—It appears to have arisen gradually since 1793.

385. Has any considerable increase taken place since 1814?—I believe that there has been a considerable increase since 1814.

386. When bullion is exported from India is it exported as sicca rupees, or melted, and the silver itself exported?—When it is necessary to export rupees, I do not believe they are ever melted down for the purpose; but of course, so long as bullion can be found in the market at a price below the intrinsic par, the preference is given to it. There is no restriction on the export of the coin.

387. If the Company are ordered to send money to other parts, do they send uncoined bullion?—In sending specie to places where rupees are not current a preference is always given to the uncoined bullion, as far as there may be a balance in the mint, or as it can be advantageously purchased in the mint.

388. Would

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388. Would they send the coin of the country?—Yes; but they would begin by sending bullion as far as it may be procurable on advantageous terms.

389. When was the government bank first established in Bengal?—In 1809, I think.

390. Have you been intimately acquainted with its operations since?—For a considerable part of the time.

391. What has been the effect of its circulation on the government, and the convenience of commercial dealings, and of the Company's dealings, since it has been established?—I think it has been a source of great convenience both to the community and to government, especially in Calcutta, where its notes have chiefly circulated. They have also afforded an advantageous means of remittance to and from the districts.

392. In point of fact have not remittances of bullion, as the only means of paying the balances from district to district, a good deal ceased now?—The necessity of such remittances has been lessened.

393. Is there any bank established at Madras similar to that at Bengal?—Not precisely similar, I believe.

394. At Bombay?—There is no bank at Bombay.

395. Are not the India Company proprietors of the bank?—They are part proprietors.

396. In what proportion?—They advance 100,000*l.* out of 500,000*l.*

397. Did the proceedings in that bank commence by an actual collection of bullion equal to the capital of the bank?—I believe that a part of it was subscribed in treasury notes, but I cannot speak positively to the amount; it happened a good many years before I had any concern with the bank or the finances of government.

398. Does the bank keep accounts with individuals in the country?—No, its transactions are confined to Calcutta.

399. Do you contemplate that if one uniform coin were circulated in India, the business by banking would also very much increase?—I think the increase of banking must depend rather upon the character of the commerce than upon the nature of the currency. It does not occur to me that it is the state of the currency which constitutes the difficulty in the way of extending our banking operations, but rather the condition of the country.

400. Is the bank in Bengal established upon the same principles as the Bank of England; is it a bank of discount and of deposit?—Yes, it is a bank of discount and of deposit.

401. Is it nearly upon the principles of the Bank of England?—I am not sufficiently aware of the principles on which the Bank of England is conducted.

402. Is it under Act of Parliament?—It is under a charter granted by the Governor-general in Council, by virtue of powers vested in him by Act of Parliament.

403. Have the government power, under their own authority or Act of Parliament, to establish more banks than one?—Yes.

404. Having the power, how is it that they have not granted authority to any other bank than that in which they are partners?—There is no prohibition against the establishment of other banks.

405. Have they given a charter for the establishment of any other banks except that in which they are partners?—No.

406. Have they been asked, and have they refused to grant charters for the establishment of other banks?—Some years ago the government of Bombay proposed to establish a bank there, very nearly I believe upon the principle of the Bengal bank; but the proposal was disapproved by the home authorities, and their opinion appeared to be generally averse to having new banks established by authority.

407. Are you aware upon what principle it was that the refusal to allow other charter banks to be established was given?—I do not immediately remember the reasons stated: my present impression indeed is, that the letter from the home authorities did not enter into detailed reasoning; but that they rested generally upon the danger of abuse; on the difficulty of exercising an effectual control; and on the apprehension that the grant of a charter must, in the public estimation, constitute a bank a government concern, even though they should have no other connection with it.

408. What is your opinion of the force of such reasons?—I do not think there is any

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any sufficient reason for withholding a charter, provided it contains suitable rules, and that the officers of the government have access to the accounts of the institution to see that it conducts its concerns on proper principles: whether private banks would assent to the requisite restrictions, I cannot say.

409. Do you think it expedient or inexpedient that the Company should be a partner in chartered banks?—My own impression is, that the share which the government has had in the management of the Bengal bank has been advantageous to the public, but I speak with the prejudice of one who has had a good deal to do with the concern.

410. May not the circumstance of the government having a share in one bank, have tended to direct its policy in refusing to allow other chartered banks to be established?—No; I apprehend that the largest possible dividend upon 100,000 *l.* is a matter of comparative insignificance to the government.

411. Be so good as to explain the constitution of the directories of the bank?—I have already stated that the capital of the bank is 500,000 *l.*; of that capital 100,000 *l.* is subscribed by government, 400,000 *l.* belonging to individual shareholders; a share is 1,000 *l.* The precise number of proprietors I am not now able to state, but no one proprietor can hold above 10 shares; there are three directors appointed by government, and six elected by the proprietors.

412. In point of fact are there any of the directors who take the lead more than the others; do the government directors take the lead more than those appointed by the proprietors?—In general the president of the bank, who has always been hitherto a government officer, took the lead; the bank directors, or a part of them, meet once a week to examine the state of the accounts, to determine the extent and rates at which accommodation is to be given, and to settle various other matters which may be submitted to them by the secretary. In the intermediate days private bills offered for discount are sent in circulation in shut boxes, and referred generally to two of the private directors and to one government director.

413. Is the president elected by the directors, or is he named by the government?—He is elected by the directors.

414. Can the six overrule the three?—Yes.

415. What class of persons are the directors?—They are generally chosen from among the principal merchants of Calcutta; but I have known instances of other individuals being directors.

416. Are the government directors all official men?—They are all official men.

417. Is the president paid?—No, none of the directors are paid.

418. For what period does the presidentship last?—He is elected once a year, but he may be re-elected.

419. What class of people are the shareholders who elect; are they the residents of Calcutta principally?—No; there are some residents, and of course all the directors must be proprietors; but a considerable number of the proprietors are retired civil and military officers.

420. Do they vote from England?—They can vote by proxy; and if I recollect rightly, the charter allows their having a proxy even when in England.

421. Do you know whether they do vote by proxy?—I do not recollect whether residents in England did leave their proxies.

422. Can natives vote?—Yes.

423. Can natives become directors?—Natives can become directors if chosen by the proprietors.

424. Has Government at home any influence in choosing the directors?—I do not recollect its ever interfering; but an order from home relating to the three government directors would doubtless be implicitly obeyed.

425. Does the government vote for the six?—No.

426. Has the constitution of the directors led to any collision between the government and the commercial directors?—I do not remember any collision; there has often been a good deal of discussion.

427. Is there any difference of opinion as to the financial concerns of the government at the time of the Burmese war?—I do not recollect any matter on which there was division in the bank; but the expenses arising out of that war occasioned a good deal of discussion on various subjects.

428. Are the notes of any other bank taken in payment of the government demand?—No.

429. Have there been no complaints by the public with regard to the discounts?—Complaints have not unfrequently been made.

 430. Have

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430. Have the Company ever received large advances from the bank?—I do not remember any advance having been made excepting on the occasion of the Burmese war; at the commencement of which, the bank having large funds unemployed, it subscribed a large sum to a four per cent. loan then opened. Afterwards, when the state of the funds rendered the measure necessary, the bank got rid of the Company's paper by a resale, with the view of extending its loans and discounts.

431. What was the amount that was subscribed?—Twenty-five lacs.

432. Did they subscribe the 25 lacs of rupees at the commencement of that loan?—Yes, almost immediately after the loan was opened.

433. Is that the largest subscription to any loan?—It is the only subscription that I remember. They have always held a certain sum in the Company's securities, as a mode of investing part of their capital, but these have been generally purchased in the market from individuals.

434. Are you aware of any great losses that they suffered, either by forgeries or by bad debts, within the last four or five years?—They have lost considerably by bad debts; and recently still more by forgery.

435. In what way?—A large portion of their advances are made to individuals, native and European, on the security of the Company's paper. It turned out that a part of the Company's paper which was so deposited was forged; and unless funds belonging to the native from whom it was received can be traced and recovered, the bank must sustain a considerable loss. They also sustained a loss from the failure of Palmer & Co., but I do not apprehend that will be very considerable.

436. Who were the forgers in the instance you mentioned; were they natives or Europeans?—Natives.

437. Is it a common crime in the country?—Forgery is a common crime in the country.

438. Are they clever at it?—In the case in question the imitation of the signatures was surprisingly accurate; but I do not recollect any forgery showing much skill of mechanical execution.

439. Did that crime exist before the introduction of the bank into Bengal?—Yes, from time immemorial I believe.

440. Have any means been resorted to, to decrease the forging?—Some time before the discovery of the forgeries in question, the government had sent home for paper prepared for the purpose of providing against imitation, and they have employed an European engraver for the same purpose.

441. Have any forgeries taken place under the new issue of paper?—None of Company's paper, as far as I have heard. In the bank-notes, for which a peculiar kind of paper with a peculiarly engraved impression has long been used, they have contrived in some cases to change the amount, but not I believe in such a manner as to deceive anybody who has a practised eye.

442. Has, on the whole, the Company's bank realized the expectations which were formed of it?—I think it has.

443. Did the bank sustain any and what loss by that transaction of the 4 per cent. stock?—No, I believe not, excepting in so far as that, while it held that property, it might not be able to advance loans to individuals to the same extent that it would otherwise have done. My impression is that we did invest too much in Company's paper, and by that means inexpediently lock up part of the capital of the bank which would have been better emlpoyed in private loans and discounts. The war in fact continued longer, and the expenses were much greater, than was originally expected.

444. At the time the bank advanced upon that loan, were individuals willing to come forward and subscribe?—Yes, a considerable amount was subscribed; in all the government obtained about 1,500,000*l.* at 4 per cent.

445. What was the whole amount for which the Company wished to raise a loan at the time?—Of the estimate of the year I cannot immediately say what the deficit was; but it was supposed when the war began that it would end more speedily than it did, and no such expense as occurred was anticipated; so that if there had been no disappointment in those respects, the 1,500,000*l.* would have probably sufficed to meet the war charges. As it happened the war continued longer and was more expensive than expected, and expenses were heavy elsewhere; and therefore it became necessary for government to raise a much larger amount, which they did by opening a five per cent. loan.

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446. Do the government open a loan generally when they want money?—Yes; we have generally found that the loans accumulate so gradually that there is little danger of an inconvenient glut, the government reserving the power of closing the treasury against subscriptions when they see that they have enough.

447. Did the bank subscribe in the first instance, or was it afterwards, when individuals could not be got to subscribe to more than 1,500,000 *l.*?—The bank subscribed in the first instance.

448. What security did the Company give when they received that large advance?—What is called Company's paper; that is, promissory notes, of which the principal was payable at the option of the government, the interest being payable quarterly. It became part of the registered debt.

449. Do the bank at Bengal act as government bankers, much in the same way as the Bank of England act as government bankers here?—No, the government keeps its own treasury quite distinct.

450. In the event of government wanting accommodation, does it apply to the bank in the same way as the Government applies here to the Bank of England?—No, it is not in the habit of getting any advance.

451. So that there is no direct communication between the bank of Bengal and the government?—None, excepting that the government have three directors, who of course represent the government in the direction; and on the particular occasion of the subscription of the 25 lacs, there was no express communication from the government to the bank; but I do not suppose that the private directors would have made it, if the government directors had not proposed it as a proper thing. We however thought it an expedient arrangement for the public, as well as a convenient thing for the government; and although, being anxious about the success of the loan, we may not have been quite impartial judges, the measure was certainly resolved upon under the impression at the time that it was a right thing for the bank to do.

452. At that time what advance was there to private individuals?—That I cannot say, but the bank had large funds unemployed at the time.

453. So that the government applied to the bank, the bank not being habitually in the service of government, or in the habit of aiding the concerns of government?—Government did not, strictly speaking, apply to the bank; but after the loan advertisement was published, the government directors suggested the subscription, and therefore in so far the government may be said to have applied to the bank; but if the proposal had been overruled by the other directors the advance would not have been made.

454. Did the government recommend their directors to suggest to the board of directors subscribing to this loan?—I cannot say that the government did recommend it: my impression at present is, that the accountant-general and myself, knowing the government to be in want of the money, and anxious for the success of the loan, acted without any distinct orders, certainly without formal orders, on the subject; though, being in constant communication with the members of the government, we must have been assured of their approval of what we were doing. The resolution was moved at the bank meeting without the name of government being used, and the question was treated as one which the directors had to determine without any interference beyond what might be implied in the part we took.

455. Should you say, from your knowledge of individuals, that the directors elected by the proprietors were in every respect sufficiently independent both of any influence that the Company's government might have to injure them in any respect, or generally sufficiently independent, to have resisted the wish of the government, if they had thought it desirable for the credit of the place or of the institution so to resist it. Were they *bonâ fide* free agents?—I think they were *bonâ fide* free agents; but it is impossible to estimate the precise extent of influence which the government directors have, which indeed, partly at least, depends upon personal character. And though I regard the private directors as sufficiently independent to resist what they thought wrong, and to have been in fact free agents, I would not be understood to deny that the government directors do have, from the force of their official situation, considerable influence over them. Generally, indeed, collective bodies are probably too ready to yield an assent to those who take the lead; and I dare say the private directors of the bank yielded something to such influence on the occasion in question. Yet certainly, if they had rejected our proposal, though they might at the moment have offended the government directors personally, they would not have been in the slightest degree the object of hostility to government.

 456. Do

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456. Do not you conceive that those directors, being merchants of Calcutta, and the fact of the government having both the sovereign power and the power as great merchants at the same time, these combined powers must have an influence over those six directors, which makes it very difficult for them, without danger to their personal interests, to refuse any wish of the government in applications of that description?—I really see no danger that their personal interests would have incurred, and therefore I think that they were free agents; but at the same time, being few and intimately known, they may naturally be supposed to be unwilling to offend, just as all merchants having dealings with government officers are, I imagine, reluctant to offend them. It does not seem to me that the Company, in its commercial capacity, could in any degree influence them, the commercial concerns being kept completely distinct from those of the territorial administration; and, on the whole, I can conceive no reasonable ground of apprehension, unless it were possibly that of ill-temper and want of civility and accommodation on the part of us with whom they were brought into immediate contact; feelings that would have been in no degree shared by the government.

457. Are there not frequent deposits of bank-notes in the hands of government?—Yes, the government frequently holds a considerable sum in bank-notes.

458. Do you not consider that the power of returning these notes, and at the same time the power of receiving other notes upon the bank in payment of demand, must give the Company considerable influence over the banks, if they like to exercise it?—I do not attach much importance to that circumstance, because I think the general rule was that there should be no accumulation of notes in the government treasury beyond what it was convenient to have for the transaction of business; and though it was an object to avoid suddenly returning large sums upon the bank, or any measure that should unnecessarily interfere with the equal course of its operations, the end aimed at was the advantage of the public and the promotion of the government revenue, not the separate interest of the bank.

459. Would it not expose the bank to great embarrassment if these large amounts were suddenly turned to circulation?—They are always circulated as fast as the disbursements of the treasury give the opportunity of issuing them: it does indeed occasionally happen that there is an excess which if immediately sent to the bank would inconvenience it by reducing its balance of cash, but the general course is to keep only what is wanted for the usual demand; and although, the bank being bound to stop its issues whenever its cash came within the prescribed proportion of one fourth of the demands against it, the government necessarily possessed the means of interfering with the bank's operation if it had desired to do so, I do not believe that the directors were apprehensive of such a consequence from any acts of theirs.

460. Is the Committee to understand that the government exercise no control over the management of the bank or its regulations, other than such as is exercised through the three official directors?—I am not aware of any other direct control exercised by the government over the bank, but it holds its charter at the pleasure of government.

461. Was there not a correspondence five or six years ago, between the government at Bengal and the home authorities, with respect to the government of the bank, and particularly the proportions which the issues should bear to the funds?—Yes; the bank finding that the old charter restricted its operation, applied for a new charter, which was granted, and of course it depended upon the government to grant it or withhold it.

462. Were the terms of the new charter conformable to those of the old?—No, there were considerable changes: under the old, the bank notes issued by it were absolutely confined to the amount of the subscribed capital, that capital being 500,000*l.*; the moment the notes amounted to that sum they could issue no more; even though individuals might wish to have notes in preference to coin, the bank was bound to issue no more. The other restriction was that the amount of cash should be equal to one-third of the issues; it was changed to one-fourth: these were the essential changes, I do not immediately recollect any others of importance.

463. Does not the government require the Bank of Bengal to lodge a deposit to a certain amount of the Company's paper, as a security for the notes which the bank has of the Company's?—It formerly did, but latterly that condition was relinquished by the government of Bengal.

464. Were the terms of the new charter the subject of controversy between the home authorities and the authorities at Bengal?—Yes, they were.

465. Since

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465. Since what time has that regulation requiring the bank to deposit a certain amount of Company's paper ceased?—I think since 1823 or 1824.

466. For what term is the charter now granted?—The charter was granted I think for five years from the year 1823.

467. Is there anything that limits the government making any alterations?—The government have the power of withdrawing it now that the term has expired.

468. At this moment, is it within the power of the government to make any alterations in the charter with respect to the government of the bank?—Yes, in so far as the continuance of it depends on their pleasure.

469. Do you recollect, when the bank lent 25 lacs to the government at 4 per cent., at what rate they lent to individuals?—I do not immediately remember.

470. Was it anything less than eight per cent.?—Certainly less than eight; not above five, I believe.

471. Do you think, if there had not been three government directors, they would have lent that money?—I think probably not.

472. How do you account, from your knowledge of the government of Calcutta, for the circumstance that the government can borrow money at four per cent., when the best merchants are obliged to pay five per cent.?—Chiefly from the security of the government credit. I consider the credit of the Indian government to stand as high as that of any government on the earth.

473. Are they very punctual on all occasions in fulfilling their engagements?—Yes, they are very punctual; and the loan obligations are issued in a convenient shape. Money is easily raised upon them. The salt merchants and opium merchants, and others, use them extensively for this purpose, and the credit of the Company is, I believe, not doubted in the least.

474. Did the largeness of the advance made by the bank, subsequent to its making the advance, occasion any anxiety to the directors as to the success of the measure?—I believe that when the expense of war became larger, and the prospect of a greater demand arose, there was apprehension that loss would have been sustained.

475. Was there not a great pressure in the money market, which led to that uneasiness?—There was not, till the government had accumulated about 1,500,000*l.*, and then, finding that its expenses were greatly beyond what had been anticipated, it raised a corresponding sum virtually at six per cent., for it exchanged the four per cents. into five per cents., on condition that the parties should make an advance of cash equal to the amount of debt so transferred.

476. Do you think that was an example worthy of imitation?—No; I should not again be for the bank's subscribing to a loan.

477. In what way was that advance made?—In cash.

478. Do you not consider it very necessary, for the due execution of the financial operations of government, that they should have a bank to which they can occasionally resort for accommodation, in the same way as the government here does to the Bank of England?—No, I do not think it is necessary. It might be beneficial in enabling the government to reduce their balances, and apply a certain sum that now lies idle in the treasury, to the liquidation of the debt. In this way the existence of a wealthy bank, which could make advances equivalent to the demands against which government has now to reserve funds, would be a convenience; but I do not think it is necessary. And it is, on the other hand, rather undesirable that the government should rest upon a bank, from the danger that if it do so, it will often draw so much from it as to interfere with its advances to individuals.

479. Is it your apprehension that the government, having been in the habit of relying upon the bank, may occasionally depress it too much?—I should think so. At the very time of difficulty, when it is pressed it would come upon the bank, and that is the time when the bank should support the merchants.

480. If the bank were in a position to have its directors sufficiently independent of government to be free agents in any case of application to them, and that in consequence they resisted any demands that they could not with propriety grant, would not, in that case, the assistance of a bank in Calcutta be a great convenience to government?—I do not think the bank is much wanted for the government business; its chief use is for commercial purposes; though of course I ought to add, that in supporting trade and affording a convenient means of remittance, it much promotes the interests of government indirectly.

481. Are you of opinion that the government having a command over a bank would

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would be useful to them in their financial concerns?—Upon the whole I think that the interference of government through its officers as directors has been very useful, and should be continued, but not for the purpose of getting the bank to make advances in aid of the public resources. The object should be to see that the business of the bank is so conducted as best to promote the commercial interests of the place, including the important dealings of the salt and opium merchants. In that way I think government to be much interested in the management of the bank, and that it should not look to getting a direct advance.

482. Might not a portion of the expense the Company now incur be saved by converting the bank into an engine of payment, the same as the Bank of England is?—I rather think that there might be some saving in that way, and that the bank might in a considerable degree supersede the general treasury as an engine of payment. But on the other hand there is the danger of its funds being diverted from their proper use, as I have already mentioned.

483. Do you not recollect the Union Bank of Calcutta applying to the government for a charter, and of its having been refused?—No, I do not think any application was made to government; but I was spoken to by a gentleman interested in the institution, to know whether I thought a charter would be granted; and my impression, from the correspondence of the home authorities, especially their orders regarding the proposed Bombay Bank, being that the application would not be complied with, I stated that opinion; and consequently I believe no application was made.

484. Do you conceive that the refusal of the charter to the bank of Bombay was at all founded upon the existence of the bank at Calcutta?—Not at all.

485. Do the notes of the banks at Calcutta circulate at Bombay?—No.

486. Then the refusal of the charter to the bank of Bombay was given upon either the general objection to banks, or the absence of particular reasons for the establishment of a bank at Bombay?—Partly both, I believe; I mean that general objections were urged, and it was thought that the circumstances of Bombay did not require the establishment.

487. You have stated that you were spoken to, but that you thought government would not grant a charter; what reason had you to think that government would not grant a charter?—Chiefly from the communications of the home authorities, by which of course the local government must have been influenced.

448. The present bank has a monopoly, has it not?—No, but it is the only chartered bank.

489. What privileges has a chartered bank over other banks?—It is a corporation; it can therefore sue under its common seal, and the individual proprietors are not liable beyond the amount of their subscription; those are the only distinct privileges it enjoys as a chartered bank: but besides these is the resolution of government only to receive its notes.

490. Is there anything to prevent any number of persons from associating themselves into a bank, remaining each liable for his whole property for the debts of the bank?—No.

491. Then the only bank in which parties are liable to the amount of their shares is the bank of Bengal?—So I apprehend, if my notion of the law is correct.

492. What exclusive advantages, independent of the charter, are there which belong to the bank of Bengal above those which other banks possess?—Government receiving their notes, and their notes alone.

493. Can any other banks emit notes?—Yes.

494. And do they?—Yes.

495. What is the present amount of the Bengal bank-paper circulation?—I should suppose that on an average it has been about 800,000*l.*

496. What are the securities upon which the bank is accustomed to make issues?—The largest amount is issued upon the security of Company's paper, in loans running on for three months or less. It also discounts government bills, and private bills and acceptances with two good names.

497. In what proportion does the bank make advances upon government paper, and in what proportion upon private paper?—I should suppose, to the best of my recollection, that the proportion has been as 15 or 20 to 50.

498. Fifteen, upon what paper?—Upon private paper, and 50 upon loans.

499. Is that a fixed rule upon which the bank act, to make only a certain proportion of issues upon government paper, and to make only a certain proportion upon private paper?—No, there is no fixed rule.

500. Is

500. Is it a rule upon which they act, varied from time to time, or is there no rule whatever?—They have no rule whatever.

501. What leads you to think that that is the proportion on which they advance?—I spoke of the result of the actual transactions of the bank, as far as I recollect it; it did not follow from any arbitrary rule fixing the proportion of loans and discounts, but from the nature of the dealings of the place. Our dealings with natives were chiefly advances upon the security of Company's paper, and there was a difficulty in getting bills to any great amount, such as to satisfy the condition of having two good names.

502. Is the bank in the habit of making issue upon bullion deposits?—I do not remember any issue upon bullion deposit; but it was proposed to make loans upon bullion or any other article not liable to material fluctuation of price or diminution of value.

503. What have been the dividends payable on the bank stock of late years?—I have known them as high as 15 per cent. per annum, but the average I should suppose may be taken as between nine and ten.

504. Is that nine and ten per cent. upon the capital of 500,000*l.*?—Yes.

505. When you left Bengal, what was the dividend last received?—I think the last dividend was at the rate of eight per cent. per annum; but there was a reserve made in consequence of the apprehension of losing by the forgeries, and the certainty of some law expenses.

506. At what did the bank stock sell when you quitted India?—At about 50 per cent. premium.

507. Would not the establishment of other chartered banks tend to bring down the selling price of the stock?—I should imagine it would; but the effect would depend principally upon the government receiving their notes in payment of its revenue.

508. Do you think it a desirable thing, when the government has power to give a franchise to other chartered banks, that it should refuse to grant that charter in any case excepting that in which it is itself a partner?—No, I think it ought not to refuse a charter upon that principle; but before chartering a bank, it seems to be necessary to fix precisely the rules on which it is to be conducted, and the subscribers should I think be required to let their dealings be controlled by the government; for a charter from the government would in India give a bank the character of a government institution, to a certain extent at least.

509. Has it not a bad appearance that the government should give encouragement to a monopoly of this nature in which it is a partner?—I do not attach any importance to that consideration, because I think that the government share of 100,000*l.* is so small as not to have any sensible influence in determining the course of their proceedings.

510. Do you think the intervention of government inspection necessary where a charter is granted for a bank?—Yes, I think so, upon the principle that a charter would give it the character of a public institution.

511. What amount of paper has the bank habitually out?—I think, on an average, about 800,000*l.* of paper.

512. Is all that paper payable on demand?—Yes.

513. And at sight?—Yes.

514. What sized notes are they?—They vary from 10 rupees up to 20,000.

515. Is the larger proportion of the circulation in large or in small notes, or in what sized notes?—The largest proportion, I should imagine, is in notes from 100 rupees and upwards.

516. How far out of Calcutta does the paper circulate?—It circulates to Bahar, but the circulation depends chiefly upon the receipts of the government treasuries. In Benares and the Western Provinces, where there is a separate currency, the government do not receive the notes of the bank; and they cannot well circulate in the interior unless taken at the public treasuries. Probably there would be some circulation of notes in Benares, if the government did receive them into the treasury at that place.

517. Are the notes all sicca rupees?—All sicca rupees.

518. Is there any other paper that the bank circulates in the shape of bank post-bills?—It has of late years offered to issue bank post-bills, with a view to securing remitters against robbery; but they were not taken to any great extent.

519. Has it any connection with the Presidencies or any other part of India?—No, it has not.

 520. Do

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520. Do its notes circulate among the natives with perfect confidence?—I believe with perfect confidence.

521. Do they circulate with perfect confidence in other parts where it is not received as revenue?—I believe they do not circulate there at all, but I should say that the cause is not want of confidence.

522. Since the establishment of the bank, has the tendency been gradually to increase the circulation of paper, and is the circulation of the paper still on the increase?—Yes, I apprehend there has been a decided tendency to increase: for some time a circulation of 50 lacs was thought sufficient, and the issue of the bank was restricted to that amount under the old charter; but the amount was found to be too small, and its notes sometimes bore a small premium.

523. Is there any restriction upon the issue now?—There are two restrictions: the one a practical one, which is that it shall always reserve cash equivalent to a fourth of its obligations, payable on demand; the other that its circulation of notes shall not exceed two millions, but this does not operate practically, there never being a demand for notes nearly to that extent.

524. Has not the export of bullion been concurrent in point of date with the extension of the issues?—I do not think precisely so; and there seems to me to be no connection between the two things, though it be true that the export of bullion has occurred since the issues of the bank were extended; the course of trade and the exchanges with England having altered since that time.

525. Since the establishment of this bank, has not the existence of a paper currency, to which entire credit was attached, been found to be a great facility in the general commercial intercourse with the country?—I should think very great facilities have been experienced in Calcutta; beyond that, the notes have not circulated much, but come almost immediately into the Company's treasury; and although they furnish the merchants and the Company with a convenient means of remittance, they can scarcely be said to exist in the interior as a paper currency. In general, indeed, payments in the districts, even in the provision of the staple articles of commerce, are made in such small sums, and the population is so poor, that there is scarcely any room for a large circulation of bank paper.

526. Does not the fact of the paper being receivable in the public treasury, make it also current between the larger dealers in the provinces?—To a certain extent probably, but not I believe to any large extent; in general the currency used by native dealers is the coin of the country.

527. Have there been attempts at any time to establish any branch agency?—No, there has not.

528. What other banks are there at Calcutta that issue paper?—I believe there are only two banks that issue paper at present.

529. What are they?—The one is the Bank of Hindostan, of which the proprietors are Alexander & Co.; the other is the Union Bank, supported by an association of subscribers. There were two other banks; Messrs. Palmer & Co. had a bank for a short time, and there was another bank managed by Messrs. M'Intosh & Co., called the Commercial Bank, that has now ceased.

530. Do they issue paper payable on demand, in the same manner as the Bengal bank?—Yes, they do.

531. Of the same description of paper?—Yes.

532. Can you state to what extent that paper circulates?—I believe it is confined to Calcutta.

533. To what amount?—I have had no means of accurately ascertaining the amount; but I have understood that before the bank of Bengal extended its issue, the Hindostan Bank had a very large circulation, to the extent of 400,000*l.* or 500,000*l.*; but I have no doubt that their issues have been much contracted of late from the extension of the Bengal bank paper, and other causes.

534. Do you suppose that the whole circulation of these banks, taken together, may be equivalent to the amount of the bank of Bengal, at the present moment?—At the present moment, I should think not.

535. Do they amount to one half?—I should think not.

536. Has the paper, upon those other banks, been upon the decrease ever since the establishment of the bank of Bengal?—Not, I believe, until the bank of Bengal was enabled, by new charter, to issue notes to the extent required by the public; and the chief decrease, I apprehend, has taken place since there has been a failure in the credit attached to the different houses of agency.

537. Among those other banks, what number have stopped payment, at any time?

time?—I only remember one, Messrs. Palmer & Co., and they had in fact ceased to have a bank before they stopped payment.

538. Had it any paper out when it stopped payment?—Yes, some notes that had not come in; but it was not at the moment issuing notes.

539. Did any of the natives or any of the inhabitants suffer from holding their notes?—They must to a certain, but I imagine very limited, extent.

540. Was there any hesitation or stoppage on the part of the other banks?—I am not aware of any such circumstance.

541. Did this affect the credit of the others generally?—It affected the credit of the bank of Hindostan considerably. The Union Bank had just commenced, so that the only bank at the time of considerable importance in regard to the extent of its issues was the Hindostan Bank.

542. Did it affect the credit of the Bengal Bank?—Not materially; but for a day or two the natives were bewildered. Their general impression had been that Palmer & Co. had as good credit as the Company, and for a time there was a general vague alarm as to all securities.

543. Has the bank of Bengal its annual statement of affairs made public every year?—Twice a year a statement is submitted to the proprietors and sent to the government.

544. Is there any auditor appointed to look into it, or do the proprietors take the statement as it is given?—The proprietors take it as it is given.

545. Is the account published?—No; but there is no objection to its being published.

546. Is it read at the annual meeting?—Yes, but meetings generally consisted of the directors and one or two proprietors. Indeed I only recollect one proprietor not a director who made a point of attending.

547. There is no secresy observed respecting it?—No.

548. Is the maximum of the dividend that they can receive limited?—No; they are entitled to receive the whole net profit as exhibited upon the balance sheet.

549. While you were there was there no instance of the bank deposit falling below the one quarter of the issue of paper: you have stated that you are limited to having one quarter of your issue in bullion; was there no instance of the bank's deposit falling below one quarter?—It has occasionally fallen below the prescribed standard, when there has been a demand for cash.

550. When it so fell below, to what means did you resort to bring your affairs back?—The discount necessarily limited, or altogether stopped.

551. Were there many instances in which the bank, for the purpose of righting itself on these occasions, produced great inconvenience to the place by withdrawing the ordinary facility?—Whenever it refused the usual accommodations it must have had very considerable effect; and it was generally the object of the directors, at least latterly, by raising the interest in time, to prevent the necessity of an absolute stoppage of accommodation before we approached the limit. I cannot say that we always succeeded. There was I think too great a reluctance to raise the rate of interest, and we doubtless committed other mistakes.

552. Was there sometimes a complaint that the sudden measures of your mode of proceeding distressed the general trade of the place?—Yes, there were complaints of that.

553. Did not those occasions generally arise from your having overstretched your accommodation to government, and not to individuals?—They arose to a certain degree from our having more government paper than we ought to have had, but that was not an advance to the government.

554. When you were in the habit of having government paper, did you find it easy to sell government paper and make money of it?—We did not find that we could sell our government paper so easily as we wished when money was wanted.

555. And were obliged to have recourse to other means to lessen the obligations of the merchants, from the inability of making use of that?—Yes.

556. When you made the four per cent. loan, was that an occasion when you were so obliged?—No, we had then an excess of cash.

557. Does the proportion in which you make advances upon private bills depend at all upon the difficulty of finding bills with two good names to them?—I think chiefly; indeed I am not aware of any other cause.

558. Do you consider, from your knowledge of the commercial circumstances of the country, if there were to be allowed a system of complete freedom in banking at

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Calcutta, the competition at the various banks which might be established would lead to greater fluctuations in the change, and by that means to great uncertainty in trade?—No, I think there is no objection to perfect freedom in banking, with the proviso I have above stated, in reference to the fact that a charter would imply a recognition by the government; otherwise I see no reason for any special restrictions in India. The danger lest bankers should push their issues without a sufficient reserve of funds, is not I suppose peculiar to that country.

559. If the Committee understand you, the condition that you would make of any bank receiving a government charter, is maintaining publicity in its affairs?—That is the chief condition; the rules by which it is to be guided being previously approved.

560. Did not the Hindostanee Bank, at the period of Palmer's failure, meet its demands with promptness?—I believe with entire promptness.

561. And the other banks?—The other banks, except the Union Bank, had ceased to exist; and that bank had, I believe, little paper in circulation.

562. How many years has the bank of Hindostan been established?—I cannot answer that question; but I believe long before I was in India.

563. Sixty or 70 years?—I rather think so; but I am not acquainted with the fact.

564. Do you not think it very unfair that their paper should be refused in circulation at the Company's treasury?—No; because it is quite a private concern; and further, they have, I believe, made use of their bank notes largely in supporting their commercial speculations.

565. If deposits of the Company's paper were made, do you see any reason why they should refuse?—Yes; I think the taking of notes would be a recognition by the government of the security of the bank, beyond what it would be justified in doing, without inspecting its proceedings.

566. Would it not be fair to put all the banks upon an equality?—The bank of Bengal has government directors, and lays its accounts before government regularly. We have no control over the private banks; and I should object particularly to banks having any direct concern with commercial speculations.

Sabbati, 3° die Martii, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

Holt Mackenzie, Esquire, called in; and further Examined.

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567. YOU mentioned that the capital of the bank was 50 lacs of rupees?—Yes.

568. Is that a capital paid up, or only subscribed?—It was paid up.

569. How has it been disposed of; is it vested in government securities?—A part is vested in government securities, and part remains available for other purposes.

570. What proportion is vested in government securities?—It has varied from time to time. There is no precise sum absolutely vested in those securities; the amount purchased and held is discretionary with the directors.

571. Then it may be considered in fact as still part of the current assets?—Yes, in so far as sales can be effected when wanted.

572. There is no engagement with the government, that the bank shall continue to hold any part of that government security?—Not now. There was formerly a stipulation with government, that the bank should lodge 20 lacs of rupees of Company's paper in the general treasury; but at the time the present charter was given to the bank, it was released from that engagement, and left at liberty to dispose of its funds as was thought best, subject to the provisions of the charter; and though the arrangement was not I think approved at home, the stipulation has not I believe been revived.

573. Was that one of the points of controversy alluded to, between the government at home and abroad?—I think it was.

574. Supposing

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574. Supposing the government to make the bank their treasury, as was suggested in a question the other day, should you conceive that their cash would be reckoned with the other cash of the bank, so as to admit of an issue not exceeding three-fourths of it?—I should apprehend it would be absolutely necessary to regard the government cash, distinct from the cash of individuals, as being more liable to be suddenly withdrawn.

575. You mentioned that the notes of the bank were issued for sums from 10 rupees to what amount?—Ten thousand is I think the highest amount.

576. Is that minimum of 10 rupees a legal limitation?—I believe not.

577. There is not a similar limitation on the issues of the private banks?—There is no restriction whatever imposed on them.

578. Do they in fact issue notes of a lower amount?—I believe not.

579. Are the greater part of the transactions in Calcutta of 10 rupees in paper or in coin?—I should imagine in coin, even in Calcutta; in the interior of the country it is certainly so.

580. How are the transactions of 100 or 200 rupees?—In Calcutta generally in bank notes, excepting government issues for the public service. In the provinces the majority of transactions, a great majority I should think, are in coin.

581. Is there any silver coin in circulation larger than the rupee?—No.

582. Is the gold coin much in circulation?—It cannot be said to be at all in circulation.

583. What value in rupees is the lowest piece of gold?—There are quarter mohurs, the mint value of which is four rupees. But I do not remember the government having ever coined gold below the mohur: and though half and quarter mohurs would be coined at the request of individuals, I cannot say how far it has been actually done.

584. Is there not a species of security called treasury notes, in Calcutta?—Yes; they will be found mentioned in the statement furnished in the reply to the questions of the Board.

585. Do not they partake of the nature of exchequer bills in this country?—They are promissory notes, payable at a specified date; and intermediately they are receivable in payment of government demands at the Presidency.

586. You have stated in your letter, that a better plan might have been adopted for the management of treasury notes, and payment of interest; to what particular class of notes do you allude, and how would you remedy the inconvenience to which you allude?—I alluded particularly to the condition of the remittable loan, by which the government bound itself to grant a remittance at a specific rate. Looking back, with the advantage of actual experience, I must confess that it was a blunder to come under the obligation of giving a remittance at any specific rate, and especially at the rate of 2 *s.* 6 *d.* for the rupee.

587. You object to their binding themselves to pay the amount in England?—Yes; I think it was a blunder, though I was among the blunderers. And I am also of opinion that the rate of remittance on the 5 per cent. loans ought to have been sooner changed by orders from home.

588. Is it your opinion that all loans necessary in India should be made payable there, as a means of preventing the great changes which must take place in the currency, by large and uncertain remittances being made in payment of interest?—I think that all conditions relative to the remittance of principal or interest should be carefully avoided hereafter, in loans made in India. I should also add, that I believe the home authorities saw the probable result of the option of remittance given to the public creditors, earlier than we did in India, and that their instructions were against coming under such a stipulation; whereas the local government yielded too readily to the considerations in favour of the measure, and particularly to the facility which the temptation of a fixed and favourable remittance gave to the raising of money by loan.

589. Would not the omitting those conditions, the rate of exchange at which the interest shall be drawn for and paid in England, prevent the remission of a large sum of money annually for India, in payment of this interest; at least prevent the remission by government?—Certainly.

590. You have stated your opinion, that it would not be convenient that the treasury of the government and the treasury of the bank should be united; in what manner is the loose money, or what may be called the balances of the treasury of the government, kept in Bengal?—It is kept in Calcutta, in what is called the general treasury, under the joint keys and the joint responsibility of the sub-treasurer,

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surer, who is a covenanted civil servant of high standing and with a large salary, and of the native cash-keeper, a native of respectability and wealth, who gives security to a considerable amount.

591. Is it kept in specie?—Partly in specie and partly in bank notes; bullion is generally kept in the mint, which remits immediately as it coins to the general treasury.

592. About what may be the average amount of government treasure so kept?—It has varied greatly; I could not immediately state the average. The general impression was, that if the balance was not about 50 lacs of rupees, or 500,000*l.*, it was insufficient, but it varied greatly; and the sum necessary to be reserved depended partly on the season of the year, according as a surplus of revenue might be coming in, and there might be a prospect of a large demand.

593. So that as far as your recollection goes, you consider 500,000*l.* to have been the minimum of what the government would consider it prudent to keep in their treasury, and that the amount generally considerably exceeded that?—I think that when the balance was under 500,000*l.* we considered the treasury to be too low, but in difficult times it has certainly been much below that.

594. Did it ever exceed a million?—Yes, considerably so in 1822-23, when we paid off a large amount of debt, but ordinarily it was less than a million: towards the close of Lord Hastings's administration, indeed, there was a very great accumulation of cash everywhere, and the balance in the general treasury was then I should imagine greatly in excess of a million.

595. Did you ever know it to go to a million and a half or two millions?—I have no doubt there must have been two millions at the time we were preparing for the payment of several millions of debt, and the spare balances of the provincial treasurers were brought down to the presidency treasury.

596. When there was no accumulation for the purpose of paying off a loan, and the government was in the transaction of its ordinary financial concerns, did the balance then run from 500,000*l.* upwards?—That was the sum we generally wished to have in reserve, but in difficult times the balance has frequently fallen considerably lower.

597. This balance was locked up in the coffers of the treasury in specie?—What was not wanted for current disbursements would remain locked up.

598. Had the government, besides that balance so locked up, some balance on their account current with the bank?—They kept no account current with the bank.

599. The whole of their surplus balances were kept in specie in the treasury?—The general treasury had only the surplus required in Calcutta. There were likewise considerable balances in other treasuries throughout the country: every political resident's treasury, and the treasuries of the several collectors, had balances to provide for the disbursements necessary in the several branches of the public service; the paymasters also have generally some balance, and the total cash balance of India has usually been from five to six millions sterling; in the last estimate it is, I think, about seven millions.

600. Were you sensible occasionally that the large accumulation of specie so locked up by the government, occasioned corresponding derangement in the circulation of the place, and that the government's taking in or letting out produced corresponding scarcities or abundance of money?—The only time that I remember any great accumulation taking place beyond what was deemed necessary for the unembarrassed currency of affairs, was contemporaneous with a very large import of bullion into Calcutta, and a general abundance of money; that was at the expiration of Lord Hastings's administration, and the accumulation in the government treasury did not then perceptibly, I think, occasion any difficulty in the money market, there being indeed a general abundance; but the subsequent issue in payment of the debt had the effect of throwing upon the hands of the public creditors and others much money, which they had a difficulty in using: the accumulation in the government treasury would probably have been seriously felt, but for the circumstance that it was contemporaneous with a very large import of bullion into Calcutta: and at other times it is probable that too much may have been occasionally accumulated; but ordinarily the object of government was to restrict its cash balance to what it considered necessary for the current business: and at the general treasury of Calcutta we had to provide for uncertain demands from various quarters; thus I have known the bills drawn from China, within a short period, amount to about 400,000*l.*: and the governments of the other presidencies and the

King's

King's Government occasionally made large demands upon it; to meet such calls a considerable reserve was necessary, but the amount is not to be regarded as a fixed sum locked up.

601. Did not the uncertainty of the demand occasion your keeping a much larger balance in the treasury?—Yes; if all demands had been quite regular, a smaller sum would have sufficed, but we had also to provide for occasional deficiency of revenue.

602. At what sight are the bills drawn from China?—Generally, I think, at 90 days' sight.

603. Would it not materially facilitate the operations of the bank, and the circulation of the place, if the treasure of the government were kept as the treasure of this Government is kept, in the coffers of the bank, and there were also a general circulation of the bank's paper?—I should think not; it appears to me that it would be unsafe for the bank to be exposed to all the demands which the government has to meet, unless (what would defeat the object of the arrangement) the bank kept in its coffers the money which the government now reserve in their treasury: for the demands upon the government are too uncertain and too large, contrasted with the ordinary commercial transactions of the bank, to allow of its applying the same principle to both; and I should fear that embarrassment would probably result from their being so connected as the question supposes, it appearing to me that the government is too large a customer for a bank of so small dimensions.

604. What fluctuation have you known in prices or in the interest of money, at the time of the government paying off any of its loans, in consequence of having a large balance in the treasury?—I think that on the occasions I have referred to, there was a fall in the interest on loans with perfect security, of from six to four per cent.

605. Have you ever known them reduced from eight down to five per cent., in consequence of suddenly paying off a loan?—No; I should think eight per cent., at the time I am speaking of, was higher than houses of perfect credit gave.

606. Have you ever known a great rise take place of salt and opium suddenly, in consequence of government paying off its loan?—I believe the price did rise very considerably; I cannot bring the particulars to mind at this moment.

607. Is it not desirable, if possible, for the government to avoid occasioning such sudden changes in the abundance of money, if it can be avoided?—Certainly.

608. Is not the present system objectionable, if it occasions such sudden fluctuations?—I think the desirable mode of discharging debt is to pay it off gradually, instead of by large sums.

609. Would not any means which rendered available for the country any excess of balance which the government may have in its hands, tend to prevent any such sudden fluctuations; if the excess in its hands be beyond that it thinks it prudent to keep, and that could be made available to the currency of the country, would not that be preferable to the present mode?—Such an arrangement would certainly be beneficial, but it does not immediately strike me in what mode the object could be accomplished.

610. Does the bank allow interest upon deposits?—No.

611. Have not very great fluctuations in prices taken place, in consequence of government wishing to convert a remittable loan into an irremittable, and also to pay off the loans of eight and six per cent., by raising loans at five and at a lower interest?—I believe the operations referred to did cause considerable fluctuations.

612. Are any such rises and falls likely to take place hereafter, now that the debt is brought there to one standard?—That will depend on the amount paid off. Of the old five per cent. loan, of which a portion has been advertised for payment, one of the conditions is, that not more than a million and a half shall be discharged in any year. But even the issue of such an amount would, I apprehend, cause a considerable fluctuation in the money market: that in India is comparatively limited, and the operations of government must consequently have a much wider effect than they would in a richer country.

613. When in 1823 the old five per cent. was paid off, did not the interest fall in Calcutta to two or three per cent.; and when the Company advertised for a new five per cent. loan, did it not rise immediately to eight per cent.?—I do not remember interest so low as two or three per cent., four per cent. is the lowest I remember. Soon after this the Burmese war commenced, and the government first opened a four per cent. loan; then interest rose I believe to between five and

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six per cent. The five per cent. loan which was subsequently opened, operated in fact as a six per cent. loan, until the four per cents. were absorbed by it: and the private houses were exceedingly pressed for money in consequence of the large sums which government borrowed; they gave, I believe, not less than eight per cent.

614. Exclusive of loans for payment in India, have you ever known money borrowed in India to send home to pay off bonds here?—We have been borrowing money at the time we had to remit bullion to England, but the bullion was required to pay off the debt from the territorial to the commercial concern.

615. Has not money been borrowed in India, and remitted to pay off bonds in this country?—Not that I am aware of.

616. Are there in Calcutta any men of capital who speculate largely on those sudden transactions of government which produce such sudden changes in the value of money?—I do not believe there is much speculation of that kind. The native money-dealers are always indeed looking out for any advantage they can make by the wants of others; but I have never heard of any extensive speculations such as the question describes.

617. You do not think that any undue advantage is enjoyed by any individuals in knowing beforehand the secret intentions of government with respect to such transactions?—No; as far as my experience goes, I have never had reason to believe that such was the case. In general, the moment government has resolved on any measure of the kind, notification has been stuck up at the general treasury, and the advertisement in the gazette has followed as soon as possible.

618. You have stated, that the treasure held at the different treasuries of the Company, under the Bengal presidency, amounts in your opinion to five or six millions?—I spoke of the cash balances in the whole of India; that of the Bengal presidency is probably about three millions, and the remainder is in the treasuries subordinate to Madras and Bombay.

619. Is there any one treasury which possesses nearly to the same amount of 500,000*l.*, as the minimum of the treasure?—No; but in several of the provincial treasuries a considerable reserve is also necessary: at Benares and Furruckabad, for instance, there are treasuries on which bills have frequently been negociated to a large extent, especially for the supply of the troops in the Deccan, and which might be considered as general treasuries for the Western Provinces. The Moorshedabad treasury is required to have a larger balance than others in Bengal, because of the payments to the nizamut there, and the advances required by the commercial branch for the purchase of silk; but in none is there nearly so large a reserve necessary as in the general treasury at Calcutta.

620. Do you not think that much larger balances were kept in the treasury, to meet the orders which the Company sent out respecting their investments, and that that occasioned a very considerable uncertainty as to the amount to be kept?—I do not think that the Company's commercial orders have occasioned much uncertainty in any of our financial arrangements; the demand on that account being comparatively steady.

621. Do you think, if the Company's payments were limited to territorial payments, and receipts from that, the balances would be so large as they have been?—No; they would certainly admit of some reduction.

622. Would not in that case the difficulties which the general commercial transactions have experienced, be much less frequent than they have been?—I do not think that any material effect would result from that cause.

623. The uncertain demands you say have increased the balance very much; if they were put an end to, would not there be a less balance necessary?—The Company's commercial transactions having been comparatively regular, I do not think they have had much effect on the money market, through their influence on the financial arrangements of the government.

624. Did the Court of Directors ever complain that the balances kept in the provincial treasuries were too large?—Yes, that was several times the subject of directions from home.

625. Why were not their instructions attended to?—I believe they were attended to, as far as was thought expedient; but I do not mean to say that the thing was always squared as it might have been, though the attention of the accountant-general was particularly directed to the subject; my impression is that the Indian balances have been frequently too large.

626. How was it proposed they should employ those balances, if they should reduce

reduce them?—They would naturally be appropriated to the payment of debt, if not otherwise required.

627. Did not the purchasers of salt and opium in 1822 and 1823 sustain enormous losses, in consequence of the rise of their prices on paying off the loan?—It is likely that they may have sustained loss by the subsequent difficulty of raising money when government again borrowed; but I do not recollect that that fact was as stated.

628. Did not the purchasers of salt and opium frequently apply for relief in the clearances of their purchases; and has not that been usually granted by extending the time of clearance, or anticipating the payment of half a year's interest upon the public debt, or by other means?—There have been frequent arrangements adopted in that respect.

629. Do you recollect that before the Burmese war ten or eleven millions were collected with a veiw to paying off debt?—I have already mentioned the great accumulation at the termination of Lord Hastings's administration.

630. For what object was that great accumulation?—I cannot say that it was with any distinct object; it arose partly from unexpected circumstances; and his Lordship had not, as far as I know, made up his mind as to whether he should pay off debt in India, or wait the instructions of the home authorities, who he thought might desire to apply the surplus to other purposes: a large amount of bills had been previously drawn on the home treasury, in liquidation of the principal and interest of the debt.

631. How long do you remember that large balance remaining?—I do not remember the time; but immediately that Mr. Adams succeeded to the government he acted upon his own view, which coincided with the advice of the financial officers; and proceeded to pay off part of the debt, and to reduce the interest of the remainder, in so far as it was within the option of government to do so.

632. Besides the two per cent. which is the seignorage charged on coining silver of standard value, is not an additional per centage charged for refining, if the silver is not of the standard value?—If the silver is below the dollar standard, which is I think five or six worse than that of the present rupee, a charge is made for refining, but not otherwise.

633. What additional per centage is charged for the refining, on silver below the standard?—It varies according to the worseness.

634. From what seignorage; up to what state, the greatest and the least?—I cannot state that without referring to the mint table, which is annexed to No. 14 of the Bengal Regulations of 1818. The seignorage is fixed uniformly at two per cent. on the produce, after allowing for the difference of standard, and deducting the charges for refining, when such are chargeable, at rates varying for each half dwt. of worseness, which are specified in the third column of that table.

635. Has much coin been usually taken to the mint by individuals for re-coinage?—Of late comparatively little.

636. What is the mode of proof when individuals take bullion or coin to the mint; is the new coin immediately advanced to them, or what interval elapses?—The general interval I think is about three weeks. When the bullion is delivered in to the mint, it is examined, weighed and passed through the fire, and specimens sent for assay to the assay-master; the mint-master grants to the proprietor a receipt entitling him to a certificate from the assay-master, for the net produce, calculated according to the table which I have mentioned. That certificate is payable at the general treasury, and is intermediately receivable in payment of government demands, or may be negociated.

637. For how much per cent. of the supposed value of the coin do they issue this mint note?—To the full value of the bullion, deducting seignorage and other charges, if any, of coinage.

638. Within how many days after lodging the coin or bullion at the mint?—I am not quite sure. I believe ordinarily within a week, but I have known times, when the import was very large, that the period was considerably more; but when the amount brought for coinage is moderate, it will be done within a week.

639. Is the coinage of India well executed?—The old coinage was but poorly executed; in the present Calcutta mint it is, I believe, very well executed.

640. Did the finance committee that sat in Calcutta, recommend any means by which the expenses of the mint, now exceeding its receipt, might be diminished in future?—No, they did not. The new mint had not been fully established; and they had not materials to come to a clear judgment.

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641. Are you aware that any measure can be recommended to prevent the mint being an expense to government, supposing the present system of currency to continue?—I think it probable that the net expense may be diminished ultimately, by having one currency for all India, which may be expected to give the mint fuller employment; and it is possible, I conceive, that the Madras mint might be discontinued, but I could not satisfy myself on that point before I left India; the matter was under consideration. There is another source of gain to be set off against the mint charges: the mint having greater powers than are required for the coinage of silver, has been extensively employed on copper coinage, which yields to the government a large profit; the copper money being issued at the rate of 64 (weighing 6,400 grains troy) for the rupee, which is, I believe, about 100 per cent. above the value of the copper. There was also a scheme under discussion for coining spelter, in the expectation of displacing the cowries or shells now used as a currency in petty market dealings.

642. In a financial point of view, you consider that one currency and one mint might be the means of saving a considerable expense in that department of the government?—I should think so.

643. Can you state what sum of money the buildings and machinery of the new mint cost?—I suppose it will have cost about 200,000 *l.* before it is completed.

644. You cannot state whether the interest on the capital expended is likely to be met by the seignorage taken?—It depends greatly on the amount of bullion imported from different quarters, and the proportion left for local circulation. I am afraid in the present state of trade it will not pay.

645. Taking the bullion, on the average of the last five years, do you think the seignorage is likely to cover the interest upon the capital expended?—I am afraid not. The seignorage is likely to be small; the import of bullion being now comparatively limited, and the export increasing.

646. Must not the quantity of copper coin that can be issued be limited in extent; inasmuch as it is in the nature of tokens, being issued at this high nominal value beyond its real value; inasmuch as no holder of the copper tokens would think of melting them down for the purpose of converting them into ingots of copper, therefore must not this profit be to a very limited extent?—The observation is certainly quite just; but several millions of pieces have been struck, and the demand it was understood was not confined to Bengal, but extended to the eastward. So extensive and populous a country may take a large supply, but of course it must be limited by the considerations mentioned.

647. It had not ceased?—No, it had not when I left India.

648. Has it ever occurred to you in what way, supposing the Indian government were to cease to pay the dividends of any portion of the loan in London, individuals resident in England would realize their dividends?—They must necessarily employ agents to remit their dividends either in bills, bullion or goods, or arrange with some establishment at home to receive the amount. There may, I fear, be for a time some inconvenience to the individuals, particularly those who have left their loan property in charge of the government agents; and our notion in Bengal was, that so long at least as the system continued on its present footing, the Company might offer to the parties a bullion remittance, affording to their creditors the benefit of their agency if they chose to use it in remitting bullion, but leaving them at liberty to get better terms if they could from private merchants, or to manage the remittance themselves.

649. Is there not something incompatible in a government officer being employed in this remittance?—A large portion of the loan property belonging to absent creditors is under the management of the accountant-general and subtreasurer, in their capacity of government agents, as it is called. These officers buy and sell and transfer, and receive and remit the interest of promissory notes, which individuals lodge with them, under the guarantee of the Company, at an extremely moderate charge: and the arrangement has been felt to be a great convenience and security to the public creditors, especially those who have returned to England. The remittance by Company's bills being stopped, it would certainly, I conceive, be a considerable advantage to those persons if they could have a bullion remittance through the same agency, and that of the India House.

650. Do you see any difficulty likely to arise, in case the present remittable debt is paid off, in persons providing the means of remittance for themselves?—There cannot, I think, be any serious difficulty, though there will probably be some loss.

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651. Do you mean to say that the restriction to the government officers so acting is, that they may remit the Company's paper, but that they cannot take other paper in the market?—The government agents were originally restricted to remittance by Company's bills; they have since been authorized to buy private bills, when specially directed by the parties employing them, without however the security of the government guarantee; but they are not allowed to ship bullion or other merchandize.

652. Is that a restriction on the part of the person who entrusts them with the receipt of his dividends, or on the part of the government?—The restriction was imposed by the Company's government, in the rules under which the agency was established, by which the government made itself responsible for the due discharge by the agents of the trust confided to them. With reference to that responsibility and other considerations, it was an object to confine the agents to transactions not likely to cause any risk of loss or dispute, and such as could easily be managed by them without hindering their other duties.

653. Is a commission or compensation allowed to government officers for the transaction, for themselves, or does that go into the Company's funds?—Originally the fees belonged exclusively to the agents; lately, in raising the salaries of the offices held by covenanted civil servants, the supreme government determined that they should go into the public treasury, and that the agents should have fixed salaries, including an adequate compensation for the loss of the fees, and a due remuneration for this and their other duties. It was thought better, especially as regards the accountant-general, that they should not have any immediate personal interest in the fees of the agency.

654. Are not the rates of exchange between Calcutta and London, and between London and Calcutta, duly advertised?—They are regularly published in the price currents.

655. Are not the bills for interest on the loans belonging to individuals in England given to merchants in Calcutta, and are they not negociable as well as any other bills?—Certainly; if they hold powers to receive the interest payable in bills.

656. You are speaking of the portion of debt the interest of which is not demanded in London?—In speaking of a bullion remittance, I referred to the debt of which the interest is not demandable in bills in London.

657. There is no portion of debt which can be demanded in London, which is demanded in Calcutta?—All that is demandable in London, being the interest of the six per cent. loan property belonging to residents at home, must, I apprehend, be taken out in Company's bills; and until very recently, the option of a remittance by those bills was given to such of the holders of the first five per cent. loan as were resident here, and to all the proprietors of the later five per cents.; but that remittance was not demandable of right.

658. Can you state on what portion the interest is remitted to England annually in the way you have stated?—The six per cent. remittable loan is the only part of our Bengal registered debt on which a remittance is now given, and that only to creditors resident in England. The amount remitted in the year 1829–30 is stated by Mr. Melvill at 300,000*l.*, the whole interest of the loan being 466,900*l.* The issue of bills in liquidation of the interest of the five per cent. loans, of which 449,000*l.* is stated to have been demanded, has now been stopped.

659. The option of bills at home has been taken away from two descriptions of creditors?—Yes.

660. By the regulations of the Bengal Bank, four to one is the ratio of paper issued to the cash reserved?—Yes.

661. You have stated that the bank of Bengal invested 25 lacs of rupees in the government four per cent. loan of 1824, at the commencement of the Burmese war; did not that arrangement, in fact, reduce the means of accommodation to the public to the extent of one crore, or a million sterling?—No; for the bank at the time had a large excess of cash in its coffers, and it still reserved a greater sum than was necessary to cover the amount of notes which it could keep in circulation. The issue of notes is limited rather by the circumstances of the market, than by the condition in question; their use in private transactions being chiefly for the trade of Calcutta, and for remittance to the interior through the government treasuries.

662. The Company's servants are generally restricted from trading on their own accounts, are they not?—All civil servants, excepting the commercial servants, are

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so restricted; and they are under restrictions as to agency and partnership, which I do not precisely recollect.

663. What do you call commercial servants?—They are chiefly the officers called commercial residents, who provide silk, cotton and sugar, and the other articles which are purchased in the interior of the country for the Company's commercial investment; also the officers of the board of trade and warehouses in Calcutta.

664. Do you not conceive that the commercial servants are more particularly that class of servants which should be restricted from trading, if any should be so restricted?—I think all government officers should be restricted from trade.

665. Would it not more especially be necessary that those persons who trade for others should be restricted from mixing up that trade for others with a trade of their own?—Yes, I should think so.

666. Can you state what is the number of Company's servants who are enabled to trade under this regulation?—I think about 20 at present.

667. Do you know when the distinction took place between the commercial and political servants?—I suppose it originated in the Act of Parliament which prohibits any person employed in the management of the revenue or the administration of justice from being engaged in trade. In old times, I imagine, all were permitted to trade.

668. In fact, during your residence in India, did the Company's commercial servants trade on their own account to any extent?—Some of them, I believe, traded to a considerable extent.

669. The commercial servants of the Company were formerly paid by commission upon their outlay, were they not?—They were.

670. Were the Company's commercial servants employed as agents by other individuals?—I rather think they were; but I cannot speak positively to the fact. There is now a prohibition against their being so employed.

671. Do you know whether their agency for individuals was more or less expensive than that of other persons?—I imagine they would be employed by individuals only if their agency was found profitable to those who employed them; but I have no means of knowing the facts.

672. Do the captains of the Company's ships always carry on a trade on their own account?—I believe always.

673. With regard to the agency of the Company's servants for the public, was it more expensive than the ordinary rate of commercial agency performed for individuals?—I believe the rate of commission allowed by the Company to its servants, was considerably less than that paid by private merchants to individuals: as to the other charges and expenses arising out of the system, I cannot state particulars in a satisfactory manner.

674. You do not allude to the expense of building and so on?—No; I have no means of stating those accurately.

675. What was the rate of agency paid by the Company to their commercial servants?—I think two-and-a-half per cent., subject to limitation when it amounted to a certain sum.

676. The Company providing all the buildings?—The Company providing everything.

677. Are not all the Company's servants indiscriminately allowed to be shareholders in the bank?—Yes, I believe indiscriminately.

678. That is under the Act of Parliament, is it not?—It is.

679. Do you conceive that any of the objections to their trading in general, apply to their trading to the extent implied in this connection with the bank?—No, I think not. It is a corporate body, acting under strict rules; they are very few in number; and as far as my experience goes, the bank proprietors have exercised little or no interference in the management, except in electing the directors, and that was done chiefly by the houses of agency in Calcutta.

680. Are there any other exceptions besides those you have mentioned, to the general restriction with regard to trade imposed on the Company's servants?—I do not immediately remember any others.

681. Medical officers have been allowed to trade, have they not?—Yes; medical officers, when attached professionally to civil stations, are allowed to trade; military officers are generally prevented from trading.

682. What is the largest amount of territorial revenue which you have ever known advanced in India for commercial purposes, in one year?—Speaking from

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recollection I should say about two millions; but something less if, as I have been doing, we take the rupee at 2*s*.

683. Has it ever reached nearly that amount?—Yes; and more, if we include all supplies to China.

684. Will you refer to Appendix No. 22, in the Report of the Committee on East India Affairs, p. 656, Parliamentary Paper 320, for the Session of 1831, purporting to be the amount of charges on the Company's annual investment in silk: in column 2, there is Cost of Provision, including commission and all charges of freight up to the arrival of the silk in Calcutta; and in column 3, Charges whilst in warehouse at Calcutta, and shipping expenses: are you able to state whether the second column includes the cost for building and maintaining the warehouses and buildings connected with the provision of that investment?—I am not able to state whether that account includes any charge for dead stock.

685. Have you any means of knowing whether that is cash payment by the agent, exclusive of buildings, or inclusive?—No; I do not know on what principle the account has been made up.

686. Is any interest allowed on the capital advanced in the providing the investment, between the advance and the return?—I believe no interest is charged; certainly there is none in the account between the territorial and commercial departments.

687. Do you know whether very considerable losses have not occasionally arisen upon those advances?—I should imagine there must have been; but I am not cognizant of the commercial accounts sufficiently to answer that question with precision. The commercial books will show every item of receipt and disbursement; and there can, I conceive, be no difficulty in ascertaining at the India House every fact necessary to the fullest development of the Company's transactions.

688. At the time of the Burmese war, did not the bank of Bengal discontinue discounting for private individuals in consequence of its reduced cash balance?—Yes, it did occasionally.

William Leach, Esq., called in; and Examined.

William Leach, Esq.

689. YOU are the Accountant of the India Board?—I am Senior Clerk in the department of Accounts and Finance.

690. What is the nature of the business of the accountant's department?—To examine accounts relative to the Company's finances which come before the Board; to report to the Board on subjects of that nature as they arise; and to revise the correspondence on financial matters which comes before them for despatch to India, whether in the financial or other departments.

691. Which are the particular branches of correspondence which pass under the revision of your department?—The territorial finance, the commercial finance, and the mints and coinage.

692. Will you state what are the subjects usually treated of in those branches of the correspondence?—Instructions to the respective governments of India, and observations upon their measures, relating to the following subjects: the various heads of revenue and of expenditure in their several details, the loans and other means adopted for the supply of the Indian treasuries, the remittances required for the repayment of territorial advances by the home treasury, the appropriation of the surplus commercial profits realized in England, the public banks in India, the conduct of the mints and the coinage, the regulation and support of numerous retiring and compassionate funds for the benefit of the military and civil services, the funds permanently or occasionally deposited in the Indian treasuries, and other subjects of a miscellaneous character.

693. What process is followed in the revision of that correspondence?—Information is received from the India House, illustrative of every subject taken up in the correspondence, and further information is required if necessary, and the whole is very particularly examined and reported on to the Board. All the financial statements are examined, as far as possible, by the accounts which the office receive from India. These papers are printed copies of some of the letters to the Indian governments, containing the general reviews of the finances of each presidency, and of all India, which periodically pass through the office [*producing the same*]; the subjects as well as the numerous figured statements in which undergo the examination described.

 694. Does

FINANCE.

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694. Does any other correspondence pass through the department than that you have described, and if so what is its nature?—There is frequently referred to the department correspondence from other branches of the office, which contain communications on subjects connected with the finances. The correspondence with the Court of Directors upon their home finances, and the correspondence with various branches of His Majesty's Government upon matters connected with the Indian finances likewise pass through the department.

695. What is the description of accounts which are brought before the Board?—There are accounts from India relating to the revenues, the charges, the debts and assets, and the external and the internal commerce of the respective presidencies; accounts relating to the receipt and expenditure of the Home Treasury, accounts between the territorial and commercial branches; and accounts are also prepared in the department illustrative of the various subjects, either arising out of the different branches of correspondence or which otherwise require the attention of the Board.

696. What means do you possess in your department for examining the accounts or other statements in figures which come before the Board, and for the preparation of such as are required for their use?—A considerable number of accounts are forwarded from India annually, both of the receipts and disbursements of the governments, and of the debts and assets; the correspondence also is generally voluminous, and has many documents attached to it; and the financial consultations of the governments in India are forwarded to the Board.

697. Can you produce for one year the accounts and statements furnished to you from India upon the finances, and from the Court of Directors?—These are the annual accounts of the three presidencies [*producing the same*]; the Bengal estimates of receipts and disbursements for the year 1828–29, the actual accounts for 1828–29; the estimate was received in October 1829, the actual accounts in November 1830: the comparative statement of the estimated and actual accounts, and the commercial receipts and disbursements. The same are received from the three presidencies: there are also the sketch estimates, which are sent some months before the regular estimates, from each of the presidencies [*producing the same*].

698. What is meant by the term sketch estimate?—A prospective estimate, prepared six or seven months before the regular estimate can be completed. It is generally called a sketch or prospective estimate, as contradistinguished from the regular estimate.

699. Are those accounts which have been printed?—No, they are far more voluminous than any that are printed: abstracts of some of them are printed.

700. Are those the materials from which the annual statements for Parliament are compiled?—Yes, they are. Here are, further, the quick-stock accounts, which are the quarterly accounts of the debts and assets; the first in the official year being dated the 31st of July, the next the 31st of October, and so on.

701. Are those furnished to you from the India House?—They are, being either duplicates received from India, or copies made at the India House. Besides those accounts, reports of the accountant-general accompany them on each occasion, which enter annually into all the details and all the variations, under each head of revenue and of charge, during the whole period from the commencement of the present charter, at considerable length. An annual statement of the dead stock of each presidency accompanies these accounts. There are the same accounts of receipt and disbursement for Prince of Wales' Island, Sincapore and Malacca, as for Bengal, Madras and Bombay. The reviews of the various heads of revenue and charge coming from some of the presidencies (like those now produced, which are from Bombay), are sometimes recorded in the consultations or proceedings of the government.

702. What is meant by the term consultations?—The record of the proceedings of the government in each department.

703. Do those form the whole of the accounts which they have at the India House?—No; they have more extensive and detailed accounts, consisting of the general books and the subsidiary books, &c.

704. Are you conversant with the nature of those books?—They are books in which the transactions of the government are kept in the form of double-entry, journals and ledgers.

705. Have you any accounts kept in that form?—The whole of the accounts are upon that principle. Accounts are also received from the Court of Directors, besides those from India, such as the accounts between the territorial and commercial

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cial branches, and details of their expenditure on the territorial account at home, and various other statements called for, from time to time, as circumstances require.

706. Will you state what process you follow in order to ascertain that the statements submitted to the India Board, and submitted to Parliament, agree with the actual accounts?—The statements submitted to the Board are examined as far as our materials enable us, and further information is called for when requisite; but the accounts presented to Parliament are prepared by the auditor of Indian accounts, and by the accountant-general at the India House, and do not pass through the Board. Mr. Melvill, as the Committee are aware, is the auditor, and Mr. Lloyd the accountant-general.

707. Will you describe what course is adopted with respect to the Indian revenues, in order to ascertain whether all which ought to be collected is collected or accounted for under proper heads, that the receipts agree with the statement of collections, and that none but authorized disbursements are brought to account?—That is a process belonging peculiarly to the offices of audit, abroad and at home. The accounts are regularly audited in India in each year, and for the most part before they are sent home.

708. Those are matters of which you do not take cognizance?—Not in the way of audit; but much attention is given that every receipt or charge is brought to account under its proper head.

709. Are those matters of which Mr. Melvill, in the India House, takes any cognizance?—The accounts are checked by the auditor's office at home.

710. Will you state to the Committee what details are supplied by the India House as to the sums charged to the account of the territory at home?—The details are partly shown in the account between the territorial and commercial branches, which has been printed, from the 1st of May 1814 to the latest period, and laid before Parliament. (*Vide* Parl. Papers, 499 of 1830, and 168 of 1831.) It was likewise printed for the House of Lords on the 3d of June 1830. Besides that account, the Board call for the details of those heads which require explanation.

711. Is the account to which you have now referred framed upon a plan agreed upon between the Court of Directors and the India Board?—Yes, entirely so.

712. Is any account current between commerce and territory annually sent up?—An account current, adjusted annually, has been regularly received.

713. What is the nature of the examination which that account undergoes in the office of the India Board?—The examination which it undergoes is to see that it is framed in agreement with the plan laid down by the India Board in 1814, and sufficient details are called for to ascertain that that plan is followed.

714. Are you satisfied that sufficient accounts are supplied to you in order to show that all advances made to commerce, or sums paid on account of it, are duly credited to the territory, and that none but proper charges are debited per contra?—The accounts we have are sufficient to show that the advances made to commerce, as well as the general frame of the account, are accurate. The Board do not generally control the home expenditure, as the Committee are aware, but they control the mode of carrying it to account as Territorial or Commercial.

715. What is meant by the general frame of the account?—That it is in full conformity with the plan agreed upon in 1814.

716. Are the commercial accounts balanced?—The Board does not take cognizance of the commercial books, their control not extending to the Company's commercial affairs.

717. Do you know whether they are balanced?—I conclude they are; but I have no official information upon the subject.

718. No balance-sheet, or abstract of such balance-sheet, is furnished to Parliament?—The annual receipts and disbursements are furnished every year, showing the cash balance at its commencement and close, together with the debts and credits, and the account of stock, but the results are not brought into a form that would be designated a balance-sheet.

719. How is the profit yearly or half-yearly ascertained?—It is ascertained according to the form of accounts which are before the Committee, in which the prime cost of the trade, the various charges upon it, and the sale amount, are shown; other profits of the Company are also inserted, and various charges brought to account, showing the surplus for further appropriation.

 720. That

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720. That is a statement of profit and loss by the Company?—Yes, and shows the whole of the appropriation of the surplus.

721. How is the existence of profit sufficient to pay the dividend, or the surplus beyond that, annually shown to be accurate?—The Board call annually for an account of the profit and loss upon the trade, as well as the surplus commercial profits, and their appropriation.

722. Have you that account with you?—I have it for one year [*producing it*], the year 1828–29; it is an account of profit and loss on all goods sold by the East India Company in the year 1828–29, distinguishing India and China, and specifying the invoice price and the several charges respectively, also the sale amount; showing likewise the net proceeds of the commerce of Great Britain, after defraying all charges; and converting the prime cost of the investment, so far as it consists of repayment of advances by the commercial department, at the rate of exchange usual in the Company's books in transactions between the two branches of their affairs, viz. 2*s*. the current rupee, 8*s*. the pagoda, and 2*s*. 3*d*. the Bombay rupee. The account is signed by Mr. Lloyd, the accountant-general.

723. That account enables you to ascertain that there is a surplus sufficient to pay the dividend, and the surplus beyond that, whenever it may be the case?—Just so.

724. What means have you of ascertaining the accuracy of that account?—We have no means of ascertaining the accuracy of it, beyond its authentication by the Company. The Board can call for any of the details which may be required, but they do not exercise control over the Company's commercial transactions.

725. Are you in the habit of calling for details to explain any of those items, with a view to ascertain whether the surplus as stated in the accounts is really a net surplus or not?—Yes, whenever it has appeared necessary.

726. Is it not necessary that every year's account should be verified?—The whole is verified before it is sent to the Board; but if any unusual items appear in the account, explanation is called for respecting them.

727. Are the Committee to understand that you take the account sent to you as a correct and verified account, unless any extraordinary items shall appear to demand explanation?—Yes.

728. This account is compiled from the general books of the Company, is it not?—It is; the Legislature have reserved to the Company the entire direction of their commerce, and accurate accounts of its transactions can only be furnished from the Company's books.

729. You trust to the certificate of the public officer at the India House for the accuracy of that account?—Yes, upon the principle before stated.

730. What steps are taken to see that the surplus is appropriated as prescribed by the Act of Parliament?—The appropriation can only be made with the approbation of the Board; it belongs to the Court to appropriate, and they obtain the consent of the Board for such appropriations.

731. Is it not the business of the Board to see, if there are surplus assets, that the Company shall do so?—The Board have called upon the Company repeatedly to do so; they have full power to do that; but they cannot direct the appropriation absolutely.

732. What restriction is imposed on the accumulation of commercial stock, and how much commercial property in excess of subscribed stock of the Company stands in their books?—The whole of the commercial surplus, after paying all charges, being appropriable under the Act, of course there is no power of accumulating stock from that source: the amount of commercial property is shown in the accounts of "stock per computation," several of which are printed in the papers of 1830 and their continuations.

733. Are the Committee to understand that those commercial accounts as furnished by the Court of Directors, have usually been taken by the Board as correct, generally speaking?—Generally speaking, they have been; but not without explanation being frequently called for, and alterations sometimes effected.

734. Have the Board of Control considered them as correct, when in point of fact they have not had the documents to ascertain the fact?—Yes, when the accuracy of them as extracts from those documents is officially certified.

735. When was the last appropriation made of commercial surplus?—The last appropriation was made in the year 1829–30; there have been regular appropriations made nearly every year, for which the Court are required to obtain the consent of the Board, but they have not been of large amount of late years.

736. When

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736. When was the last considerable appropriation made? In the year 1823–24.

737. To what was that appropriation made?—To the payment of bills for the principal of the Indian debt.

738. How is it that no considerable appropriation has been made since that time?—The surplus since that time has been but of comparatively small amount.

739. Is it that the surplus profits have been to a small amount, or that the debt owing from the territory to commerce has prevented the appropriation?—Although the two accounts are distinct in their nature, I believe both causes have operated.

740. Do you conceive that if the debt from territory to commerce could now be paid, there would be a considerable surplus disposable?—Yes, I should think that there would be.

741. Is it not the fact that, by Act of Parliament, the Company is not liable to defray territorial charges in England until the dividend is provided for?—That I understand to be the case under the Act of 1813.

742. The payment by them of the territorial charges may be taken as evidence that they have funds for paying their dividends?—Certainly; the full payment of them.

743. Is it considered that the accounts rendered to Parliament by the Company are in any way under the control of the Board?—They have not been considered subject to their direct control.

744. You conceive it is not in the power of the Board to direct any alteration to be made in them?—I conceive that they are presented under Acts of Parliament, direct by the Company, without the intervention of the Board.

745. The Act directs the Court of Directors to lay the account before the House?—It does.

746. The Board have no control over the proceedings of the Company at home, except in cases specially provided for by Act of Parliament?—No: I should observe with reference to the previous question that the plan upon which the annual accounts for Parliament are arranged has been settled in concert with the Board, but, as I conceive, not as a matter of control. It may also be observed that the examination of the accounts received by the Board from India, enables us to judge of the general accuracy of the accounts presented by the auditor.

747. The Board were in fact consulted as to the plan upon which the statements annually laid before Parliament were to be prepared?—They were.

748. Does the Board exercise a detailed control over the financial letters from the Court of Directors to the government in India?—Very detailed examinations of those letters take place; the various subjects are fully considered, and every figure in them that can be examined is checked.

749. Have not great alterations been frequently made, both in the statement of principles and in the details?—Very many.

750. Does the Board exercise any control over the rate of interest charged?—Not upon the Company's bond debt.

751. Is not the Board always consulted when any alteration is made?—No, the Court direct all that concerns that debt.

752. By the account of profit and loss you have given in for the year 1828–29, there appears to have been a loss by the India trade of 475,977 *l.*, whilst there was a profit of 830,238 *l.* from the China trade, leaving a net profit of 354,261 *l.* on the whole trade; must not the rate of profit on the China trade depend on the sale price at the India House?—Yes, of course.

753. Have the Board ever interfered to regulate the upset price at which tea should be sold?—I am not aware that they have.

745. Are you aware what directions the Act gives respecting the amount of the upset price?—Yes, I am aware generally of the provisions of the Act.

755. Do you consider the Board as having any authority to interfere to see in what manner that upset price is fixed?—I am not aware that they have that authority; but I cannot speak with certainty without referring to the Acts of Parliament.

756. In point of fact, have they ever interfered to regulate the upset price?—Not since I have been connected with the department.

757. In the account you have produced there is an item of 238,753 *l.* credited as interest and discount on anticipated payments, including the adjustment for former years in respect to interest charged on the territorial invoices outward; can you explain to the Committee what is the nature of those?—The Board called for the details of that item, and they can be furnished to the Committee.

758. Do

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758. Do you recollect the general nature of them?—It embraced the various transactions of interest and discount which are usual in the Company's affairs, and also a charge of interest on territorial exports, such as stores, which had not been charged in former years.

759. There is another account of 197,785 *l.* credited as interest on the balance due from the territorial to the commercial branch at the close of season 1827–28; what do you mean by that?—The Committee will understand that the account is not prepared in my office; but I apprehend that amount is the interest upon the current account between the territorial and commercial branches.

760. In what way is that made up?—It is calculated upon the balance due to the commercial branch in each year.

761. Is that actual receipt?—The question of interest is not yet finally decided, but it has always been treated as an actual receipt.

762. What do you mean by saying that the question of interest is not yet finally decided?—It is still under discussion between the Board and the Court in what mode the interest shall be calculated.

763. It has been decided that interest is chargeable?—Yes.

764. At what rate is it inserted here?—At the rate of the interest on the Company's bond debt at home.

765. Is any interest allowed upon the advances from territory to commerce in India?—It is upon the balance of the advances and repayments taken together that the interest is calculated.

766. In truth are there any payments in India that can be called advances to commerce?—Not as the account now stands, they are all, strictly speaking, repayments.

767. How do you explain this: "deduction of surplus commercial charges beyond 5 per cent. charged as above on sales, 176,567 *l.*;" how is that amount got?—It is the amount, I imagine, of commercial charge not included in the column above, as a charge upon the India and China trade.

768. Those having been estimated as sufficient to cover the whole?—The charges above show the proportion of charge which it has been always usual to put upon the goods.

769. The result of this account is, that whilst the net profit on the trade is 354,261 *l.*, the Company paid in dividend on stock 630,000 *l.*?—The sum quoted is the net profit on the sale of the goods. There are included in that account also several other items of profit, which enabled them to pay the dividends.

770. Will you furnish the particulars of the 197,784 *l.*, being the balance of interest due from the territorial to the commercial branch?—It can be obtained from the India House.

ACCOUNTS delivered in by *W. Leach*, Esq., 3 March 1832.

—No. 1.—

AN ACCOUNT of PROFIT and LOSS upon all Goods sold by the EAST INDIA COMPANY, in the Year 1828–29, distinguishing *India* and *China*, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain*, after defraying all Charges; and converting the Prime Cost of the Investment, so far as it consists of Repayments of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books in transactions between the Two Branches of their Affairs, viz. 2*s.* the Current Rupee, 8*s.* the Pagoda, and 2*s.* 3*d.* the Bombay Rupee.

—	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize, calculated at 5 per Cent. on the Sale Amount of the Goods.	Total Cost and Charges.	Sale Amount.	Profit.	Loss.
	£.	£.	£.	£.	£.	£.	£.
India Trade	2,188,447	117,441	96,312	2,402,200	1,926,243	- -	475,957
China ditto	1,804,151	508,827	164,536	2,477,514	3,290,748	813,234	—
£.	3,992,598	626,268	260,848	4,879,714	5,216,991	813,234	475,957

No. 1.—An Account of Profit and Loss upon all Goods sold by the East India Company—*continued.*

	£.		£.
Loss upon the India Trade brought down	475,957	Profit on the China Trade, brought down - - - - -	813,234
Add, Salvage of the "Mermaid" - -	20	Add, Difference in the rate at which Bills and Certificates drawn from China in Season 1827–28, were paid, and the Rate of 6*s.* 8*d.* per Tale, assumed in the last Account, being less than 6*s.* 8*d.* -	17,265
			830,499
		Deduct, Salvage of the "Alfred," bringing home Teas - - -	261
	£. 475,977	£.	830,238

Loss upon the India Trade, brought down - - - - - -	£. 475,977	
Profit upon the China ditto - ditto - - - - - - - -	830,238	£.
Net Profit on the Trade - -		354,261
Add,		
Charges on Private Trade, warehoused and sold by the Company	£. 122,152	
Customs on Private Trade, &c. (deficiencies more received than paid in the year) - - - - - - - - - - - -	1,474	
Interest on the Annuities - - - - - - - - -	36,227	
Dividends on Stock standing in the Company's name - - - -	26,544	
Profit on the Company's own Ships - - - - - - - -	32,647	
Profit on Teas sold by the Company's Agents in the North American Colonies - - - - - - - - - - - -	17,743	
Interest and Discounts on anticipated Payments, including an adjustment for former years, in respect to the Interest charged in the Territorial Invoices Outward - - - - - - - - -	238,753	
Interest on the Balance due from the Territorial to the Commercial Branch at the close of Season 1827–28 (estimated) - - -	197,785	
		673,325
	£.	1,027,586
Deduct,		
Surplus Commercial Charges beyond 5 per cent., charged as above, on Sales - - - - - - - - - - - - -	£. 176,567	
* Interest on Bonds - - - - - - - - - - -	158,124	
		334,691
Fund whereout the Dividends are to be paid - - - -		692,895
Dividends on Stock - - - -		630,000
Ultimate Surplus - - - £.		62,895

Mem.—* The same reservation is claimed, as to what extent the Interest on the Bond Debt may constitute a Territorial Charge, as is stated in the Annual Account presented to Parliament.

East India House,
21 Sept. 1829.

(signed) *Thomas G. Lloyd*,
Acco^t Genl.

— No. 2. —

PARTICULARS of INTEREST and DISCOUNTS on anticipated Payments, (including an Adjustment for former Years, in respect to the Interest charged on the Territorial Invoices Outward.)

		£. s. d.	£. s. d.
INTEREST allowed on the Balances of several Funds deposited in the Company's Treasury (Poplar Funds and Widows' Funds) - - - - - -			14,504 17 10
Allowed Owners in Freight Accounts on protracted payments - - - -			962 – –
Interest on Exchequer Bills purchased - - - - - - - - -			34,367 10 10
			49,834 8 8
Deduct, Interest charged Trustees of the Deccan Booty, on Advances made to them by the Court - - - -		10,612 14 10	
Interest on Bank Three per cent. Consols, transferred into the Company's name in discharge of a debt -		205 5 –	
Interest received on Exchequer Bills - - - -		6,455 5 –	
Discounts on anticipated payments, &c. - - -		371 5 9	
			17,644 10 7
			32,189 18 1
Deduct, Premium on Exchequer Bills purchased in 1828–29, the Bills remaining in the Company's possession on 1 May 1829 - - - - - - - - -		25,623 – –	
Interest on the same, paid for at time of purchase £.	8,302 15 10		
Less, Amount received on exchange of part of the same, to 1 May 1829 - - -	6,455 5 –		
		1,847 10 10	
			27,470 10 10
			4,719 7 3
Interest charged in Profit and Loss Accounts of Company's own Ships, 1828–29 - - - - - - - - - - -		4,245 15 2	
Interest added to Invoices of Teas consigned to the N. American Colonies from China in 1827–28; the Profit and Loss Accounts being made up with reference to the Invoice Amount, which includes this Amount of Interest - - - - - - -		2,689 8 8	
Interest charged in Territorial Invoices outward, 1828–29 -		11,123 17 7	
Adjustments in previous years of Interest charged in Territorial Invoices, the same not having been previously included in the Company's Profit and Loss Accounts:			
	£. s. d.		
1814–15 - - - - - - - -	10,185 15 2		
1815–16 - - - - - - - -	11,724 5 4		
1816–17 - - - - - - - -	13,526 8 11		
1817–18 - - - - - - - -	9,860 2 –		
1818–19 - - - - - - - -	27,629 14 7		
1819–20 - - - - - - - -	21,304 17 11		
1820–21 - - - - - - - -	20,033 14 10		
1821–22 - - - - - - - -	9,837 10 4		
1822–23 - - - - - - - -	11,256 15 1		
1823–24 - - - - - - - -	11,819 7 5		
1824–25 - - - - - - - -	10,853 2 5		
1825–26 - - - - - - - -	17,487 17 5		
1826–27 - - - - - - - -	29,494 1 9		
1827–28 - - - - - - - -	20,399 19 7		
		225,413 12 9	
			243,472 14 2
		£.	238,753 6 11

(Errors excepted.)

East India House,
21 Sept. 1829.

(signed) *Thomas G. Lloyd*,
Acco^t Genl.

— No. 3. —

PARTICULARS of INTEREST on the Balance due from the Territorial to the Commercial Branch, end of Season 1827–28.

	£.	s.	d.
One Year's Interest on the Net Balance estimated to be due to the Commercial Branch, end of 1827–28, viz. 4,982,657 *l.*, at the rate payable upon the Company's Bond Debt; 11 Months at 4 per cent., 1 Month at 3 per cent. - -	195,154	–	–
Deduct, Six Months' Interest on the estimated Balance of Advances between the two Branches in 1828–29, in favour of the Territorial Branch - - -	8,947	–	–
£.	186,207	–	–
Add, Adjustment of Interest, as above, short credited in Profit and Loss Accounts in former years, arising from the estimated Advances to Commerce in India in those years being stated at more than the actual amount of the same - -	11,578	–	–
Amount of Interest, as above - - - £.	197,785	–	–

(Errors excepted.)

East India House, 21 Sept. 1829. (signed) *Thomas G. Lloyd*, Acc^t Genl.

— No. 4. —

PARTICULARS of SURPLUS COMMERCIAL CHARGES, beyond 5 per Cent. charged on Sales, &c. &c.

				£.	s.	d.
AMOUNT of Charges General Commercial, as stated in the Annual Account of Receipts and Payments for 1828-29, the particulars of which have been rendered to Parliament; (printed Report, China Trade, House of Commons, p. 108, Appendix) - - - - - - - - - - - - -				467,991	6	11
Payments for Primage and Average, included in Amount of Payments for Freight and Demorage, not charged upon the goods sold under that head - - -				3,258	3	–
£.				471,249	9	11
Deduct, Articles for which a value remains, viz. Buildings, Loans, &c. - -				4,916	12	1
				466,332	17	10
Charged on the Company's Trade, viz.:						
Charges of Merchandize, calculated at 5 per cent. on the Sale Amount of Goods - - - - - - - - -			260,848 – –			
Amount charged in Profit and Loss Accounts of Company's own Ships, for management - - - - - - -			1,200 – –			
Warehouse Charges on Exports, added to the Invoice Amount - - - - -	£. 7,076	– –				
Shipping Charges on ditto - ditto - -	20,642	– –				
			27,718 – –			
				289,766	–	–
£.				176,566	17	10

(Errors excepted.)

East India House, 21 Sept. 1829. (signed) *Thomas G. Lloyd*, Acc^t Genl.

Jovis, 8° *die Martii*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

William Leach, Esq. called in; and further Examined.

II. FINANCE.

William Leach, Esq. 8 March 1832.

771. WHAT sum of surplus commercial profits has been appropriated since 1814?—£. 5,333,198.

772. Has the whole of that been appropriated to territorial purposes?—To territorial purposes, except the portion applied to the bond debt, the character of which is considered doubtful.

773. How much has been appropriated to the bond debt?—£. 334,399.

774. Under what circumstances was that appropriation made?—It was made at the early part of the period, chiefly in consequence of some bonds being paid in, and others bought up. An account, prepared by the Court in 1818, showed that a sum had been applied to the reduction of the home bond debt, which the Board ultimately sanctioned.

775. Was there any hesitation in sanctioning that appropriation?—There was some discussion upon the subject.

776. What was the nature of the discussion?—To ascertain whether the whole amount of those bonds could be properly discharged out of the surplus profits.

777. Was there any legal doubt?—The doubts started were of a legal character.

778. Generally speaking, the appropriation of the commercial surplus, with the joint consent of the Court and the Board, has been to territorial purposes?—Decidedly.

779. Do you admit that the Company's commercial surplus or assets would have been increased if, instead of the Board's rates, the rate of mercantile exchange, or any other mode of conversion proposed by the Court, had been adopted in the accounts?—In the earlier years they would have been diminished. Taking the whole period, the amount of suprlus would have been increased.

780. Supposing the surplus to have been appropriated in the way that has been adopted by consent during the present term, would the Company, in its commercial and permanent capacity, have gained anything by the adoption of those other rates?—I conceive not.

781. Could they have increased their dividend?—Certainly not.

782. Supposing the Company, by any erroneous accounts, had given to the Board a false impression of the state of their commercial finances, could they thereby have procured an increase of dividend; or, supposing the same system of appropriating surplus to have been adopted, would they have been better off in the case supposed in their commercial capacity?—Generally speaking, I should say not; but I cannot answer with certainty, not knowing what is intended to be embraced in the term "erroneous accounts."

783. What is meant is, supposing by any other mode than that contemplated in the former questions, namely, a different rate of conversion, the Court had represented their commercial accounts more favourably, would they have been in a better situation commercially than they have been?—Certainly not, while the surplus profits were appropriated as they have been.

784. Was the commercial cash balance of the Company increased or diminished since the 1st of May 1814?—The balance in the home treasury is always fluctuating. On the 1st of May 1814, it was 695,860 *l.*; on the 1st of May 1831, it was 1,051,303 *l.*

785. When you say balance in the home treasury, do you mean that the whole of that balance is commercial?—That is a question which has not been determined.

786. Are there no clearly political receipts in the home treasury?—There are political receipts.

787. Are not those by Act of Parliament, as well as by the plan of the account arranged at the period of the charter, appropriated to territorial purposes before any demands are made on the commercial fund for those purposes?—Certainly; they are appropriated to territorial purposes as far as they will go.

788. Is

William Leach, Esq.
8 March 1832.

788. Is there any account of them?—The home account annually presented to Parliament, contains a distinct account of them, as does also the account between the territorial and commercial branches.

789. Has any question arisen between the Court and the Board as to the amount of cash balance necessary or proper for the Company to keep, or the amount of surplus which might remain unappropriated?—Yes, occasionally.

790. Are the Board now satisfied that the unappropriated surplus is not too great?—That is a question I cannot answer.

791. Are you satisfied?—It would be very difficult to say what is the necessary amount to be retained; it must vary according to circumstances.

792. When you have had occasion to resort to the India House for explanations upon any point in the account which appeared to you to require it, have you always had ready access to their books, and found the officers of the India House willing to give you every assistance in their power?—Invariably so.

793. Have you any reason to believe that the Company have at any time declared a dividend without having at the time a surplus of commercial profit?—That depends in some measure upon points which have been in dispute, as to what is properly the fund for the dividends.

794. Explain the nature of those doubts?—Questions have arisen whether particular items which have been introduced into the account, are accurately introduced or not, before the surplus is struck.

795. Are any of those doubtful questions now pending?—Some are now pending.

796. Have they a very material operation upon the question?—Yes, some considerable operation.

797. Do they extend to every year since the charter?—Those I refer to not to all, only to a few.

798. To the later or the earlier years?—To the later.

799. Will you state what those are?—Under the official oath I have taken, and the Minute of the Board with reference to present examination, I am not at liberty to go further upon that point, the questions not being decided.

800. Supposing the commercial profit to be insufficient in any one year for the dividend, are not the Company entitled to resort to the territorial surplus of one year preceding?—They are.

801. Have they ever resorted to the territorial surplus?—I am not aware that they have in any case.

802. Must not you necessarily be aware of that if it had happened?—In some years it may admit of dispute whether they have or have not had occasion to resort to it.

803. Have they ever stated in any account of territorial revenue charge and surplus, any claim made upon the surplus for the dividend?—No.

804. Under the clause upon which notice has been given to the East India Company of the determination of their exclusive trade and holding of the territory, what is the sum payable to the East India Company by the public?—£. 1,207,560.

805. Do the government now pay interest upon that sum?—They do.

806. Explain how that debt arose?—It is the balance remaining of the sum which was originally lent to the government by the Company, amounting to 4,200,000 *l.* The Company were allowed to repay themselves by disposing of the debt to annuitants. Hence arose what is called the East India Annuities. The annuities were sold to the extent of 2,992,440 *l.* and no further, leaving the balance of 1,207,560 *l.* due to the Company.

807. How happened it that the whole were not sold at the same time?—I am not aware what was the occasion of the operation being stopped.

808. What was the Act under which this was created?—The 23 Geo. 2, c. 22, and the annuities were consolidated with the three per cent. reduced stock by the 33 Geo. 3, c. 47.

809. From the attention which you have given to the principle of separation between the territorial and commercial accounts, do you conceive that, in the event of a final separation between the Company and the public, it would be fair to consider the cash balance in 1814 at home as commercial, and the cash balance in India as political?—Previous to 1814, the accounts were so extensively blended that it is almost impossible to decide that point.

810. You apply that doubt to the balances both in India and in England?—I thnk it may in some measure be applied to both.

 811. Would

William Leach, Esq. 8 March 1832.

811. Would the Company's commercial property, without reckoning in the claim upon India for buildings or upon other grounds, be in your opinion sufficient to realize a dividend of 630,000*l.* per annum?—I cannot answer that question.

812. Since 1824, you say there have been no material appropriations of commercial surplus?—No very considerable appropriation.

813. Nor has there been much commercial surplus in fact?—Not a very large amount as compared with former years.

814. Has there been a commercial surplus equal to the territorial deficiency?—Certainly not.

815. Since 1824, the whole concern has constantly been increasing its debt?—Yes, combining the territorial with the commercial concern.

816. Do you admit that the bond debt is to be considered entirely commercial, and the Indian debt political?—That point, more especially as it respects the bond debt, has never yet been decided or admitted.

817. What is your own opinion?—I have much doubt on the subject.

818. Which way does your opinion preponderate?—I cannot give an opinion. It has always been a matter of considerable doubt whether any part of the bond debt is territorial; I have certainly participated in those doubts, and have not seen clear ground for coming to a decision.

819. Has there been any dispute between the Court and the Board with respect to the appropriation to the two branches respectively, the military and other buildings, and other fixed property in India?—I do not at this moment remember any.

820. Has there been any appropriation of territorial surplus since 1814 to the payment of debt?—There has been, I conceive, application of territorial surplus to the payment of debt.

821. Under the fourth head of appropriation?—The fourth head of appropriation of the 55th section of 53 Geo. 3, c. 155, requires a particular process to take place between the Board and the Court. I am not aware that that process has been literally followed, as the Indian government have usually liquidated debt without reference to the home authorities: but I conceive surplus territorial revenue in India has been applied to the liquidation of debt.

822. Could an account be made out from the 1st of May 1814 to the present period, of the receipts in India and in England respectively, and of their application severally under the heads of appropriation prescribed by the 55th and 57th clauses of the Charter Act?—I have no doubt such an account could be prepared, perhaps more conveniently at the India House than here.

823. Was it or not your duty to examine the annual account of the Company's commercial transactions previous to declaring the dividend and ascertaining the surplus or loss?—No, the dividend is declared by the Court.

824. Did you receive any authority from the Board of Control to examine those accounts, in order to ascertain whether the account rendered by the Company was accurate or not?—In the ordinary course of business that has been done, so far as general accuracy of principle is concerned.

825. What was the course you adopted in order to ascertain the accuracy of the account?—The account for that purpose is a commercial account, and I have already explained to the Committee on what grounds the certified authority of the officer at the India House is considered to vouch the items of a commercial description.

826. Do you consider it sufficient to have the certificate of the officer at the India House of the totals, without going into any of the details yourself?—Unless they appear to require particular explanation.

827. With respect to the item of 238,753*l.*, respecting which you were asked, and which appears under the head of interest and discount on anticipated payments, including adjustments for former years in respect to interest charged on the territorial invoice outwards, did you ascertain how far all the items forming that large total were correct or not?—Explanation was expressly required upon that point, and a full detail of particulars given.

828. Did you satisfy yourself by examining each of those details, that they were properly credited to trade?—It was ascertained that they were properly credited to trade.

829. By yourself?—It was. I should observe that while the Board do not control the details of the commercial accounts, they see that no improper charge upon the territorial revenues is introduced therein.

830. By

William Leach, Esq. 8 March 1832.

830. By whom was it considered that those items were correct?—They were considered so by this department generally. The Board made no objection to the item.

831. You were asked before to produce a copy, and you said there was no such copy in the house; how did you ascertain that the items were correct?—My observation applied entirely to the other items, the 197,785 *l.* and 176,567 *l.* below it, respecting which the Committee inquired.

832. There is an item of interest on the balance due from the territorial to the commercial branch at the close of the season 1827–28, estimated at 197,785 *l.*; is that one of the items to which you refer?—It is.

833. There is a further item in these terms, "Deduct surplus commercial charges beyond five per cent. charged as above on sales, 176,567 *l.*;" was that an item also upon which you had no details?—Yes; but it was wholly a commercial charge. Any part disallowed must have become territorial. With respect to the interest, that is a subject which has been under discussion between the Board and the Court, the Board objecting to the Court's mode of charging interest, and therefore it was not necessary to inquire into that particular sum. The mode of calculation was known, and was objected to as upon an erroneous principle.

834. You say certain items, of which those two exceed 300,000 *l.*, were objected to; did you not object to taking the ultimate surplus, after the payment of the dividend, at 62,895 *l.*?—The item of surplus commercial charges was not objected to. It was always considered that the result would be subject to adjustments, some of which would be regulated by the decision upon any points in dispute.

835. Are the Committee to understand that that was your own opinion, or the opinion of the Board, and that they acted upon it?—That the Board have always acted upon that principle.

836. Up to the present moment, those points of dispute have not been adjusted?—That on the interest has not been finally adjusted.

837. Every account that has an item under that head must remain unadjusted at the present time?—Yes, without final adjustment.

838. What kind of adjustment has there been?—A provisional adjustment, subject to the determination of certain questions.

839. Then you have taken it for granted until the points in dispute shall be settled?—It has no further been taken for granted than as an account prepared by the Company, and supposed to contain generally a true representation of certain of their transactions, on which, however, the Board have pronounced no opinion, and have questioned some of the items. Thus they have not admitted the accuracy of the particular sum in question.

William Simons, Esq., called in; and Examined.

William Simons, Esq.

840. YOU are Chief Clerk of the Committee of Buying and Warehouses in the India House?—I am.

841. Will you state what is the nature of the duties of that department generally, and of yourself in that department?—The Committee of Buying and Warehouses, as their name signifies, buy all the goods which the Company export, including military stores, in such way as they can most to the advantage of the Company, but chiefly by public advertisement or circular letter; some of our stores, which do not admit of being purchased by competition, are bought of tradesmen, as any other merchant would do, by private agreement; but a special report is made by the Committee of all such goods, whether by advertisement, by circular letter, or privately.

842. Do the advertisement and the circular letter equally invite tenders?—Yes; small arms, and things of that kind, are bought by private bargain; but everything which admits of being bought by muster is so bought.

843. What are your duties in that department?—My duties are to attend upon the Committee, and to take their orders, and to put them forward into action, and to lay the papers before the Committee, and take their orders upon them as regards those purchases; but that is the smallest part of the business of the Committee. I have to manage the orders to India and China, for goods to be provided there, and to manage the sales of them; also the goods of private merchants, who intrust them to the management of the Company, and to superintend the warehousing department generally, which consists of 3,000 persons; the details

William Simons, Esq.

8 March 1832.

details are very great indeed. The Company's commercial affairs generally are entrusted to the Committee of Buying and Warehouses, and managed by them. There is also a separate department for shipping, which is another committee, with which I have nothing to do; they have a separate clerk.

844. Can you state generally what are the goods purchased by the Committee of Correspondence and the Committee of Shipping?—The Committee of Shipping purchase naval stores generally and provisions, and manage the Company's ship; the Committee of Correspondence purchase mathematical instruments or matters of that kind for India, and anything out of the usual way; the Committee of Correspondence, as the senior committee, take that upon themselves but very seldom, hardly worth mentioning.

845. You have to do with the purchase of goods both at home and in India, and also the purchase of military stores?—Yes.

846. The Shipping Committee purchase the naval stores?—Yes.

847. Can you state what is the number of persons in the commercial employ of the Company altogether in India, in England, and in China; and can you state what is the whole charge of the commercial establishments in each country?—If the Committee will be pleased to refer to the Evidence before the Select Committee of the House of Commons, ordered to be printed on the 30th of June 1831, and the 11th of October 1831, they will find a Return of Officers and Expenses in England in the year 1817 and 1827 contrasted; and if they will be pleased to refer to the same paper they will find the like statement as they stood in India. In page 682, No. 35, are the Returns of Officers and Places in England, and the Amounts; and in page 672 and the following pages, are the same as they stood in India; but these statements have been new modelled latterly, and diminished considerably.

848. It is of the commercial establishment only you are now speaking?—Just so.

849. Are you not prepared to state what is the result of those Returns?—Only by referring to those Returns which have been made. I have a Return of the Indian Establishment as new modelled, which reduced it considerably; it was made by the Governor-General in the year 1829, and allowed by the Court in the year 1830; that applied to the whole of the civil establishments; they were all remodelled and reduced; that originated in an order of the Court calling to their notice that some of the functionaries were paid too much; the Governor-General took it into his consideration, and remodelled the whole of the civil establishment, every part of it. The commercial part is the only part with which I have to do, and that I have here; it is Schedule (D.)

[*The Witness delivered in the same, which was read as follows:*]

SCHEDULE (D.)

COMMERCIAL.

OFFICES.	Present Salaries.	Proposed Salaries.	Proposed Less.	Proposed More.	REMARKS.
	Sonaut Rs.	*Sonaut Rs.*	*Sonaut Rs.*	*Sonaut Rs.*	
Board of Trade, senior member	57,475	52,200	5,275	—	
junior ditto	45,043	52,200	-	7,157	
1 secretary	25,080	25,200	-	120	
1 assistant	5,102	6,000	-	898	
13 Commercial Residents:					
Benares	46,639	24,000[a]	22,639	-	[a] A like sum to be drawn as opium agent.
Cossimbazar	50,160	48,000	2,160		
Etawa and Calpee	74,423	48,000	26,423		
Bauleah	48,456	36,000	12,456		
Malda	40,404	36,000	4,404		
Radnagore	38,063	36,000	2,063		
Commercolly	34,570	30,000	4,570		

SCHEDULE (D.)—COMMERCIAL—*continued.*

OFFICES.	Present Salaries.	Prpoosed Salaries.	Proposed Less.	Proposed More.	REMARKS.
Commercial Residents—*continued.*	*Sonaut Rs.*	*Sonaut Rs.*	*Sonaut Rs.*	*Sonaut Rs.*	
Hurripaul - - -	25,766	30,000	- -	4,234	
Jungipore - - -	30,463	30,000	463		
Rungpore - - -	22,637	30,000	- -	7,363	
Santipore and Golegore -	42,351	30,000	12,351		
Soonamooky - - -	29,064	30,000	- -	936	
Surdah - - - -	31,297	30,000	1,297		
Two assistants, Bauleah - -	10,032	9,600	432		
Benares - -	10,032	9,600	432		
Sub-export warehouse keeper -	63,800	42,000	21,800		
Head assistant ditto - -	24,935	18,000	6,935		
2d assistant ditto - - -	12,257	9,600	2,657		
Import warehouse-keeper -	15,048	- -	15,048	- -	(To be abolished.)
TOTAL - - - £.	783,097	662,400	141,405	20,708	

SCHEDULE (D.)

COMMERCIAL.

(*Correct.*) (*This Account is proposed to be substituted for the preceding Statement.*)

SALARIES at *Bengal*, as ordered per Court's Letters of 28 April and 24 November 1830.

From return of Establishment 1st May 1828.	OFFICES.	Present Salaries.	Proposed Salaries.	Proposed Less.	Proposed More.	REMARKS.
Sicca Rupees.		*Sonaut Rs.*	*Sonaut Rs.*	*Sonaut Rs.*	*Sonaut Rs.*	
55,000 – –	Board of Trade, senior member	57,475	52,200	5,275	—	
43,103 7 –	junior ditto -	45,043	45,000	43	- -	(*Corrected.*)
24,000 – –	1 secretary -	25,080	25,200	- -	120	
4,883 10 –	1 assistant -	5,102	6,000	- -	898	
	13 Commercial Residents:					
44,630 13 –	Benares - - - -	46,639	24,000(a)	22,639	- -	(a) A like sum to be drawn as opium agent.
54,939 1 –	Cossimbazar - - -	50,160	48,000	2,160		
80,817 12 –	Etawa and Calpee - -	74,423	48,000	26,423		
46,369 6 –	Bauleah - - -	48,456	36,000	12,456		
38,663 10 –	Malda - - - -	40,404	36,000	4,404		
37,024 1 –	Radnagore - - -	38,063	36,000	2,063		
33,080 10 –	Commercolly - - -	34,570	30,000	4,570		
24,657 3 –	Hurripaul - - -	25,766	30,000	- -	4,234	
29,150 12 –	Jungypore - - -	30,463	30,000	463		
21,661 12 –	Rungpore - - -	22,637	30,000	- -	7,363	
40,526 13 –	Santipore and Goligore -	42,351	30,000	12,351		
27,812 5 –	Soonamooky - - -	29,064	30,000	- -	936	
29,948 9 –	Surdah - - - -	31,297	30,000	1,297		
	Two assistants, Bauleah -	10,032	9,600	432		
9,600 – –	Benares -	10,032	9,600	432		
58,652 11 –	Sub export warehouse-keeper -	63,800	42,000	21,800		
23,861 3 –	Head assistant ditto - -	24,935	18,000	6,935		
11,729 15 –	2d assistant ditto - - -	12,257	9,600	2,657		
14,400 – –	Import warehouse-keeper -	15,048	- -	15,048	- -	(To be abolished.)
7,54,513 9 –	TOTAL - - - £.	7,83,097	6,55,200	1,41,448	13,551	*Total corrected.*

(*) * The Figures in this column, and the words in Italic, are in Red Ink in the MS.

William Simons, Esq.

8 March 1832.

850. Can you state the total number of persons in the commercial employ of the Company in India altogether?—The number of servants is stated in the papers.

851. Do the returns contain the whole of the persons in the employ of the Company?—The whole of the servants and salaries, not the persons who are paid for winding silk and so on; the labourers only, those who are the servants of the Company, not the workmen hired from day to day.

852. Is there not a statement of the cost of their labour?—Yes, the amount.

853. What are the annual charges for office establishment in your department?—The whole returns of the India House have been made to the late Committee; a Return of the Places and Offices in England will be found in page 682 of the Evidence ordered to be printed the 30th of June 1831 and the 11th of October 1831.

854. What was the expense of your office and establishment in 1817?—I cannot say, but I think that has been returned.

855. Can you state what has been the expense of your office and establishment for any one year?—I have an account for the warehouse department.

856. The expenses of your department are classified in a Return under the head of Office and Establishment?—That is included in the papers to which I have already referred.

857. It is stated in the Return to No. 35, Appendix to the Report of 1831, page 682, that in 1817 the expense of your establishment and office amounted to 9,864 *l.*; that in 1827 it amounted to 13,069 *l.*, making an increase of charge for the year 1827, as compared with the former period, of 3,205 *l.*; do you conceive that to be a correct return of the charge of your establishment?—I have no doubt it is, it was made up by the accountant.

858. What is included under the term office and establishment?—The clerks, I apprehend.

859. What is the annual salary of the principal clerk and of his chief assistant in your department?—My salary is 2,000 *l.* a year, and the chief assistant, 1,050 *l.*

860. Does the number you have given of 3,000, include the whole number of persons, principals, clerks, extra clerks and servants, employed in your department?—The number of 3,000 to which I allude, are not the persons in the India House, but the warehouses.

861. What is the total number of persons employed in your department?—It would consist of those enumerated in the Return referred to, and the warehouse-keepers, who are also returned, and the persons in the warehouses. The whole expense of the warehouse department out of the India House, I can speak to. In the year 1828, there were 2,896 persons, the whole of whose pay was 188,000 *l.* a year, and in the year 1832, there were 2,547 persons, whose pay was 157,000 *l.* a year; but on the average of the first 14 years of this charter, the salaries and pay came to about 202,000 *l.* a year, and the number of persons was considerably more; but any account the Committee may be pleased to order can be furnished.

862. The expense which you have just mentioned, on the average of 14 years, of something more than 200,000 *l.* a year, has been paid to the warehouse-keepers and labourers out of the India House?—Yes.

863. Does that include extra payment to extra labourers?—It is the whole annual salaries and daily pay of the warehouse department?—The whole expense of the warehouse department was 315,000 *l.* a year, of which there is 69,000 *l.* for landing and housing goods, dock dues, cartage and materials for warehouse use, such as deal boards, nails and so on; the daily wages, including the medical attendance which is allowed the men, 160,000 *l.* a year; rent of hired warehouses and ground rents, 24,000 *l.* a year; taxes and repairs, 20,000 *l.* a year; salaries to clerks and warehouse-keepers, 42,000 *l.* a year, making altogether 315,000 *l.* a year; but if the Committee shall be pleased to order an account to be made out, the items would be seen more precisely; this is done in a rough way.

864. The sums which you have just enumerated are independent of your office in the India House?—Yes.

865. Are there included in the statements the whole of the commercial charge or expense in Europe?—Not in the sense of the Act of Parliament of the year 1813, which directed that there should be an apportionment of the salaries and expense of the whole of the India House, as between the territorial and commercial branches of the Company's affairs, and that such apportionment should be approved by

by the Board of Commissioners: this was done in the month of June 1814, and included in the head of the commercial charges, part of the gratuities to the Directors, part of the salary of the secretary, and of almost the whole of the establishment, because at that time the Company's commercial transactions were very large. Those contingent sums are carried partly to the trade of the Company, and partly to the territorial branch; therefore to frame a correct account of the commercial expenses of the Company, it must include a part of the allowances and salaries I have mentioned, and a portion of the amount of the general expenses, and can be drawn up by the accountant only. There is a statement in the Report of the Select Committee of the House of Lords, ordered by the House of Commons to be printed the 8th of July 1830, page 28, as to the division of the salaries and expense between the territorial and commercial branches of the Company's affairs.

866. Has the Company exported any merchandize of late years for sale in India?—The Company have ceased to export goods to India for sale since the year 1824–25.

867. No merchandize having been exported by the East India Company to India since the year 1824–25, has any considerable reduction been made in the number of persons employed, and in the salaries, in your department?—No; because the exportation to China has been as large as it was, and the military stores have been much larger. In some of the years the military stores have amounted to 800,000 *l.* or 900,000 *l.* The details of miscellaneous business have also increased.

868. The Committee have before them a Return, which shows that in 1814 the exports to China were 911,663 *l.*, and in the year 1828 they were only 638,325 *l.*; how do you reconcile that with your statement, that the exports to China were as large in the latter years as they had been formerly?—The exports to China are reduced in some kinds of goods, and increased in others; but the numbers are not, I believe, very materially changed, but the cost price has fallen off prodigiously; the superfine broad cloth, which used to cost 20 *l.*, is now bought for 10 *l.*; and so of other articles. Lead, that cost 40 *l.* a ton, is now bought for 13 *l.*

869. From the statement made just now, it appears that the expense of your office and establishment in 1827 was more by 3,205 *l.* than it was in 1817; how do you explain that?—The particulars which have caused the increase are stated in p. 682 of the Papers printed by the House of Commons (11 October 1831), but there is a set-off of 800 *l.* per annum, under the head of Clerk of the Committee of House, p. 686, which has merged into the office of the commissioner of warehouses.

870. Are the Committee to understand that you are unable to state the total annual amount of commercial charges at the India House, in so far as offices, establishment and superannuations are concerned altogether?—Quite; I have not the means of doing it. It is the business of the accountant entirely.

871. Can you state the annual rental of the warehouses?—The warehouses are almost all freehold, or built upon ground belonging to the public companies, on long leases, renewable on payment of fines.

872. Have not the East India House and the warehouses together been valued at 1,294,768 *l.*?—They have been valued repeatedly, and form an item in the Returns made to Parliament. I calculate that the warehouses stand in the Company's books at 950,000 *l.*, but the accountant-general can show that very exactly.

873. Can you state on what ground the East India Company discontinued the export of merchandize to India since 1824–25, after having continued to export from 1814 to that year?—The Company continued during the first years of the present charter to carry on trade as they had formerly done, on the principles of profit and loss, as merchants at that time: the export goods, principally copper and woollens, sold at a very good profit. The Court have recorded their reason for discontinuing the export trade to India, in a letter to the Governor-General and Council in Bengal, which I will beg to read, dated the 10th of November 1826: "We have received the letter from your chief secretary, Mr. Lushington, dated the 12th January 1826, inclosing an indent dated the 6th of that month, for commercial supplies required from London to meet the probable demands of the Bengal market in the season of 1827–28, together with copy of a letter from your Board of Trade, dated the 10th January 1826, with a letter from Mr. Munday, your import warehouse-keeper, in explanation of his indent, which asks for

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a supply of woollen cloths and metal, and some cotton goods, to be exported from England in the shipping season of 1826–27, to the amount of about 476,000 *l.* sterling; the chief part of which is intended for the supply of your monthly sales, but some of the woollens are exclusively suitable, we apprehend, to meet the demand of the officers of the army. It would be highly satisfactory to us to be enabled to continue to furnish India with regular and ample supplies of British staples, as we have long been in the practice of doing; but looking to the great difficulty which now exists in obtaining any articles of Indian produce or manufacture, that will afford a remittance to London even at several pence in the rupee below the par of exchange; considering likewise the large balance which is due from the territorial to the commercial branch of our affairs, the amount of which, at the close of the year 1825–26, has been estimated (in our letter to you in the Finance Department, dated the 14th June 1826) at not less than 4,000,000 *l.* sterling, and which balance will be further augmented in the year 1826–27, in consequence of the very extensive supply of military and public stores now under provision, and by our increasing territorial disbursements in London, to all which is to be added the very important circumstance, that the conveyance of troops and of military and public stores will give full employment to the outward-bound tonnage of our ships of the season 1826–27; we have seen it expedient to determine not to make any provision of woollens, copper, iron, lead, or of merchandize of any other kind for exportation to any of our Indian presidencies in the approaching shipping season of 1826–27. We are not at present prepared to state the course which we may see it right to adopt in the succeeding year; but the prospect is certainly discouraging as regards future extensive purchases of exportable merchandize for sale in India. We shall not fail, however, to give the subject all the consideration which its importance demands. In the mean time you will persevere in selling off your remains of Europe goods, and reduce your establishment to the lowest practicable scale. Being apprehensive, however, that the non-transmission of a moderate supply of scarlet and other superfine broad cloth may possibly be attended with inconvenience to the military service who have been in the usage of obtaining cloth from our import warehouse, we shall provide a limited quantity of the best superfine broad cloth for consignment to you in the approaching shipping season, a list whereof will be found in the packet. These cloths will be invoiced as military stores, and must be delivered at once to the clothing agent without passing through your commercial books. Should the continuance of this mode of supply be found desirable, you will be pleased to make the proper arrangements in the military department, and cause your future indents to be issued in the manner usual for other clothing stores." Another letter was addressed the 28th of April 1830 in these terms: "The discontinuance of the import warehouse as a separate department had been under our consideration, and has now become unavoidable in consequence of the cessation of our exports to Bengal for commercial purposes, a course which the state of our finances must have constrained us, however reluctantly, to adopt, even had the Indian markets been more favourable than has of late been the case. We delayed, however, giving definite directions respecting the import warehouse, as circumstances might have rendered it advisable to resume our commercial exports in some degree; and if we shall hereafter see it proper to do so, the goods must be committed to the charge and management of the export warehouse department. The preceding paragraphs had been drafted previously to the receipt of your letter of the 7th July 1829, which treats of the transferring to the military, medical and naval departments the duty of receiving their own stores direct from the ships, instead of as heretofore through the commercial department; of the uniting the import commercial business with the export warehouse, and of abolishing the former office;" this has been done since; "also of the appropriating to other branches of the public service the very extensive premises at present allotted to the import department; upon which matters, especially upon the import warehouse, you intend to report to us hereafter. As these objects are in unison with our view of what is most fitting to be done, we merely see it necessary upon this occasion to inform you that the several documents to which you refer in your letter under notice, have been laid before us;" since that, the Court have never resumed any export trade to any of the presidencies.

874. They have continued it to China?—Yes, on the same scale in the amount of goods, but about two-thirds in value.

875. You spoke of the export of metals and of woollens to India: were those the only two articles you had been in the habit of exporting for some time prior

to the year 1826, or were they only the principal articles?—Copper was the principal article of all the Company's trade, and British woollens; they exported some Madeira wine, but that I think had ceased before that time; copper and woollens were the principal articles.

876. The ground stated in those extracts which you have now read, are the reasons assigned by the Directors for the discontinuance of that export trade?—Yes.

877. Do you conceive that the incapacity of the East India Company to compete with the free-traders, had anything to do with the discontinuance of their export of merchandize to India?—I should really think not.

878. Have you not an account of the profits and loss, from the year 1814 to the year 1826, of all your commercial exports to India?—Yes, that has been presented to the Select Committee of the House of Commons in the last year.

879. Have you any reason to believe that India has been well supplied with British manufactures since the Company ceased to export them; or can you state any detriment which this country or India has sustained by the exportations of the Company having ceased?—No; I apprehend that India is supplied more abundantly with every thing than ever it was.

880. You think that neither country has sustained any detriment by the exportations of the Company having ceased?—I should think not in point of amount. The accounts of external commerce have been laid before the Committee; they are in folio 130 of the Report ordered to be printed in February 1830. The imports from Great Britain into British India in the year 1814–15 are 1 crore 52 lacs; in the year 1828–29 it was 3 crore 33 lacs; or from a million and a half sterling it had increased to three millions and a third, but of that two millions were British cottons; so that the original trade in copper and woollens has not increased.

881. Has not spelter become an increased article of trade?—Yes; but the market has been overdone with it, and the price in consequence reduced; many thousand tons have been sent; the Company sent a little, but that is a foreign manufacture altogether; there is no British spelter; but the increase of exports from England to India is in British cottons, for it appears by the Custom-house account which has been printed the 9th of February 1830, that the British cotton goods exported to the eastward of the Cape of Good Hope, not including China, amounted to two millions sterling.

[*The Witness delivered in the Account, which was read as follows*:]

(REPORTS, EXTERNAL COMMERCE.)

A STATEMENT of the Value of IMPORTS into *Bengal, Madras* and *Bombay* from *Great Britain* in the following years, distinguishing Merchandize from Treasure (including the East India Company's Imports.)—Papers Printed by the House of Commons, 9 Feb. 1830, fol. 130, &c.

—	MERCHANDIZE.	TREASURE.	TOTAL.
	Sicca Rupees.	*Sicca Rupees.*	*Sicca Rupees.*
1811–12	1,35,08,171	24,059	1,35,32,230
1812–13	1,30,40,279	1,69,017	1,32,29,296
1813–14	1,40,63,773	33,850	1,40,97,623
1814–15	1,26,58,777	5,25,127	1,31,83,904
1815–16	1,52,62,082	12,09,271	1,64,71,353
1816–17	1,63,29,099	99,68,316	2,62,97,415
1817–18	2,43,54,025	76,40,520	3,19,94,545
1818–19	2,52,58,138	1,57,37,614	4,09,95,752
1819–20	1,57,64,383	1,65,21,662	3,22,86,045
1820–21	1,82,20,024	33,89,183	2,16,09,207
1821–22	2,46,56,811	19,74,099	2,66,30,910
1822–23	2,85,53,065	2,53,087	2,87,68,152
1823–24	2,60,55,668	6,33,407	2,66,89,075
1824–25	2,57,19,795	39,205	2,57,59,000
1825–26	1,91,67,977	2,25,519	1,93,93,496
1826–27	2,02,59,982	1,42,594	2,04,02,576
1827–28	2,97,68,057	81,660	2,98,49,717
1828–29	3,33,59,016	2,73,257	3,36,22,273

882. You

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882. You are no doubt aware that between 1814 and 1820, the East India Company, besides wrought and unwrought metals and broad cloths, exported largely to India such articles as blankets, woollen nightcaps, Madeira, claret, port, Cape wine and brandy; can you state what gave rise to the speculation in such articles as those, and whether they turned out profitably or otherwise?—The exportation of wine to India, which commenced in 1808, arose in consequence of complaint, that good wine could not be procured at reasonable prices; that went on for four or five years.

883. Was there any idea that an export trade, consisting of articles intended for the consumption of the natives, would fail, and that the only way to compete successfully with the private trader, was to export such articles as were required for consumption by Europeans?—I never heard of such a proposition, or such a course of argument.

884. Did not the speculation in Madeira wine to which you have referred, of export to India, and particularly to Calcutta, prove a very ruinous trade to the Company?—A very disadvantageous trade after the first year or two.

885. Do you mean that there has been no Madeira wine sent since the renewal of the charter?—I believe not.

886. At all events the exports of those articles were not continued?—They were not; but in addition to the ceasing to be exporters, the Company have ceased to be importers into England, except of raw silk, some silk goods, and saltpetre from their own factories, and of indigo bought in Calcutta; they have abolished all the factories at Bengal, Madras and Bombay, which provided cotton piece-goods; the whole of the commercial establishments at Madras are done away, and at Bombay nothing is left but one factory for the provision of cotton to be assigned to China; the Company, except as above, have in fact ceased to be traders altogether.

887. Can you state the reason why the East India Company continue to export merchandize to China, after discontinuing to export it to their own possessions?—Because the Company having the monopoly of the China market, it would seem to follow, that if they had not supplied it with British manufactures, they would not have been imported into that empire at all, or at least not in sufficient quantities; but I think I may affirm that it was considered a moral obligation, if that expression be permitted in the Court, to continue to supply China; it never was contemplated not to supply China.

888. If the trade of China were to be thrown open to the same extent as that of India, are you of opinion that the East India Company would find it advantageous to discontinue the export of merchandize to that country?—I fear that must be matter of opinion. If private persons had access to China, and supplied the market so fully that no more was required, and the European goods sold at a loss, the Company might possibly discontinue the present means of carrying on their trade, so far as the teas are paid for by woollens, &c., and draw on Bengal for the whole of their teas; but this supposes a change in the system which I, as a servant of the Company, cannot contemplate.

889. In 1814, the total of the value of the Company's exports to India and to China amount to 1,738,211 *l.* in three years, and in the exports to India alone, in the private and privileged trade, they amount to 1,048,132 *l.*, showing an excess upon the whole export trade of 690,079 *l.* in favour of the Company's trade. In 1828, the total value of the Company's exports to India and to China amounted to 1,126,926 *l.*, and in the same year the export of the private and privileged trade amounted to 3,778,511 *l.*; the result of the calculation of those two periods is, that there has been a falling off in the Company's export trade to India and China together of 611,295 *l.*, that there had been an increase in the private and privileged trade to India alone of 2,730,379 *l.*, and that the excess of the Company's trade both to India and China of 690,089 *l.* has been altogether reduced, and that the private and privileged trade to India alone is now in excess over the Company's both to India and China, to the amount of 2,730,374 *l.*, making the total difference between the two periods in favour of the private and privileged trade to India alone of 3,420,468 *l.*; can you account for this change in the proportions of the trade which are carried on by the Company and the private trade respectively?—With regard to the exports to India, as I have before stated, that of the Company has totally ceased; they send nothing as merchandize to India.

890. It appears from the Returns laid before Parliament, that in the year 1828 the Company exported goods to India to the value of 488,601 *l.*?—Those must be military stores.

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891. In the year 1814 they exported only to the amount of 826,000 *l.*?—The Company ceased to export from the date of the letter I have read. Since the year 1826–27, the Company appear to be exporters, but it was entirely military and territorial; there was nothing sent for sale; the woollens may not have been entered out at the Custom-house as military stores, and consequently classed as commercial; but this is merely a conjecture.

892. How do you account for the falling off there has been in the value of the export trade to China carried on by the Company?—In the reduced rate at which the goods have lately been and now are bought, every thing is provided at a very reduced price compared with what it used to be. In the papers presented to the House of Commons by His Majesty's command, ordered to be printed the 4th of June 1829, is a statement of the prices of several descriptions of goods in the year 1814, and in that year.

893. Has there been much depreciation in the price of woollens in this country from 1809 to the present time, and what do you estimate the amount of that depreciation per cent?—It is manifest, and of daily experience, that they are much cheaper, but I cannot speak to the precise amount.

894. Is it not your duty to provide those goods for the Company?—Yes.

895. Cannot you state the extent of depreciation since 1809?—The superfine broad cloth is now at one half the price it was 15 or 16 years ago.

896. It appears by a statement laid before Parliament, that the number of pieces of broad cloth imported by the East India Company into Canton in 1809–10, was 7,888 pieces; that in 1825–26 and 1826–27, it amounted to nearly 20,000 pieces, while in 1829–30 it was but 15,565; can you state the quantity exported in the last year, or account for the great fluctuations exhibited in the statement in question?—The exports to China have been governed by the demands from the Company's servants there generally.

897. Can you state what has occasioned the fluctuation in their demands?—I can. In the year 1827–28 there appears to have been a loss to a large amount upon woollens; in the year 1828–29 there was a profit: in the year 1829–30 there was a greater profit; and in the year 1830–31 there was a still greater profit, in consequence of which the Company have increased the quantity of broad cloth.

898. Are you able to give any other reason for the fluctuations which have happened?—I am not aware of any other; the custom is for the Company's servants in China annually to send a paper of their requirements for the next season, which is the guide; the Company generally exceed it.

899. You are unable to state what were those circumstances in the market of Canton which led to those fluctuations in the export of that article?—I can account for the quantity of broad cloth being increased by its selling at a very good profit.

900. You have no further explanation to give upon that head?—I have not.

901. It appears from the statement above alluded to, that the quantity of long ells imported into Canton by the East India Company in 1810–11, was 220,000 pieces; that in the intervening 19 years, between that and 1829–30, the quantity gradually diminished, and in the latter year it amounted to only 120,000 pieces; can you account for the decline in this article?—From the great loss upon them.

902. What was the occasion of that loss?—A reduction of the price in China.

903. How do you account for the reduction of that price?—I am not able to account for it, except that the market took a very adverse turn. I do not think that long ells are taken out by the private merchants; not to any great extent certainly.

904. Are you able to account for the reduction of price which took place in this article in the market of Canton?—I am not.

905. It appears that between the same periods the importation into Canton of camlets by the East India Company declined from 21,770 pieces to 12,023 pieces; can you account for this decline?—The great loss upon camlets, and the supply being understood to be introduced illicitly by the Americans; a matter which is as little to be doubted as anything which is taken on opinion and trust can be. The Canton market is chiefly supplied with camlets which are introduced surreptitiously. The duty on camlets is 18 dollars a piece; the selling price, without the duty, now is 22 dollars.

906. It appears upon the same statement, that between 1809–10 and 1829–30, the total number of pieces of different kinds of woollens fell from 262,171 pieces

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to 147,600 pieces; can you state the cause of this decline?—A piece of long ells is of small value compared with superfine broad cloth; the number of the pieces is not, therefore, very material to the inquiry. There might be a diminution of several thousand pieces, but it does not necessarily follow that the value of the woollens had fallen in that amount. The Company continued during very many years to export long ells to China, knowing they would be attended with losses; the Company considered that the manufacturers in the west of England who made those long ells had no other trade, and that China was the only market, or nearly so, for such goods; so that the manufacture depended entirely on the Company.

907. It was carried on to support the trade in the west?—Yes; it was computed that the Company's long ells consumed the fleeces of upwards of a million of sheep, and gave employment to some thousands of people in Devonshire and Cornwall, who had no other trade.

908. What led the Company to have so much regard for the trade in the west; were there any peculiar circumstances?—I do not know of any other circumstances than those I have stated; I cannot say further why the Company persevered, year after year, at a great loss, in selling those long ells in China.

909. It appears by the statement laid before Parliament, that in the year ending in 1813–14, the declared value of all goods exported to China by the East India Company, exclusive of stores, averaged a million per annum, whereas in the four years ending in 1828–29, it averaged somewhat less than 300,000 *l.*; can you state the reason of this falling off in the value of the export of British manufactures to China?—I attribute the diminution of value to the reduction in the cost of the articles.

910. How do you reconcile that statement with the reduction in quantity which appears to have taken place in the exports?—The quantity of long ells in the first year was great; the calculation of the number of pieces, I have before taken the liberty to observe, is not a very important feature in the case; a long ell was formerly worth 3 *l.*, and at that time a broad cloth was worth 25 *l.*

911. Are there not considerable quantities of British manufactures exported direct from this country to China by the Americans, and indirect from the British ports in India by British subjects?—That there are large quantities of British manufactures exported direct from this country to China by the Americans, there is no possible room to doubt; that British manufactures are taken from India to China, I have no knowledge.

Lunæ, 12° *die Martii*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

William Simons, Esq., called in; and further Examined.

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912. WHERE have the Company been in the habit of having their cloths dyed which they export to China?—The broad cloths until lately have been dyed in London; the long ells are still dyed in London.

913. Until how late were the broad cloths dyed in London?—Within these three or four years; the dyeing of the broad cloths in London was discontinued by degrees; it is now totally discontinued.

914. Camlets?—Camlets are dyed at Norwich; the Company buy camlets in a dyed and finished state.

915. When did the dyeing broad cloths in London cease?—It ceased entirely in 1830, except a small quantity of goods which were in store in London.

916. Has it totally ceased?—It has totally ceased.

917. Are there any goods of any kind now dyed in London?—The long ells are still dyed in London, as before stated.

918. Why are the long ells dyed in London?—Because no dyers in the west of England have offered to dye them; if offers had been made they would have been considered.

919. What are the principal colours of which the long ells are dyed?—The principal colours are scarlet, purple, black and blue.

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920. Has the dyeing been executed by advertisement, or in what manner have the contracts been taken for dyeing long ells?—Lately by competition, under printed circular letters.

921. What do you mean by lately?—Within the last two years.

922. In what manner were the contracts made before?—The dyeing before was conducted by all the principal dyers of woollens in London; the work was divided into 36 shares. The dyers were employed as regular tradesmen to the Company; one dyer had three shares, another two, and another one share, as they had obtained appointments from the committee of buying, upon application when vacancies occurred; it was no doubt considered a favour to be appointed a Company's dyer. The prices were fixed annually alike for them all; but some of the dyers who had several shares were subject to a deduction.

923. For the same colour the same price was charged?—Yes.

924. Was it a matter of patronage among the Directors?—Not individual patronage; the committee at large.

925. What was the meaning of shares?—The dyeing was divided into 36 shares; the pressing was in 36 shares; it was a convenient way of allotting out the work and keeping the accounts.

926. Was is not handed down from father to son, and considered a good business, and that the having a share was worth so much a year?—I believe it was a very good business; they had fair prices for what they did; there was an understood scale of prices, depending upon the prices of dyers' wares; cochineal and indigo being so much a pound, and madders and dyeing woods at such and such prices; the dyeing a cloth was worth so much money. The price of drugs was ascertained every year; and looking at that and the state of the markets, such prices as were thought fair were paid to the dyers.

927. Was one of those shares ever given to a person not a dyer?—I do not recollect such a thing; it was a standing order that no person should hold a share of the Company's dyeing who had not a dye-house; shares were continued to them perhaps when they were not engaged personally as dyers, but they were partners in the house.

928. Do you think that ever, as a matter of patronage, one of these shares was given to a person not a dyer, who afterwards got the work executed by a dyer, and put a considerable premium into his pocket?—I am not aware of such a circumstance; the standing order would have prevented it.

929. Did you ever hear of such a thing taking place?—I never heard of it.

930. The distribution of the shares was left to the individual Directors, was it not?—No; the proportion of the work went on from year to year, according to their first appointment.

931. How did they distribute the dyeing; in what manner did they do it?—I before stated that it was divided into 36 shares; this was the practice before I came to the India House, and so it continued afterwards. Those who had shares continued to have them as long as they remained in business; and when a vacancy of a share occurred, all the dyers in London made friends, and begged to be employed.

932. These shares were handed down from father to son, so long as the house continued?—Generally, but not as a matter of course; because, when a man died, his son did not succeed him unless he was appointed in his own person; if the father died, the son was not necessarily continued in the Company's business.

933. Do you not believe that the dyeing cloth could have been executed more cheaply in the country than in London?—At that time I apprehend it could not have been conveniently done in the country at all. It was the custom of the Company to buy the broad cloths from the makers in the rough state.

934. I think you said this dyeing applied to long ells, not broad cloths?—I am speaking of the former practice, which applied to both kinds. I do not think the long ells could be dyed in the west of England. There was a dyer or two at Exeter, but no one applied to participate in the work.

935. Could you give the prices at which the long ells have been dyed in London?—Certainly.

936. And the number of pieces dyed in each year, with the colours?—Yes.

937. While it was done by distributing it to the different houses, was any inquiry made how much higher or lower it could have been done by open tender?—No; the business went on from year to year by agreement, fixing the price with the dyer, some of the shares being subject to an abatement below the general price.

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938. Can you state what is the value of the cargoes exported by the Americans from this country to China?—There is already printed, in the Parliamentary Papers, the value of the American trade at China, exports and imports, as drawn up at Canton; but I apprehend there would be a difficulty in obtaining an account of the exports from this country, for I suppose the American ships are not always entered out to China direct.

939. Have you any new papers to hand in, or do you refer to papers already before previous Committees?—To papers before previous Committees: the papers ordered to be printed on the 11th October 1831, p. 661, Ac. 27; also papers presented by command of His Majesty on the 29th June, ordered to be printed on the 4th June 1829, Nos. 25, 26 & 27, pp. 40 to 43; and there may be more.

940. You have no knowledge on the subject?—I only know it from the papers.

941. As the buying department, both for India and China, belongs to your office, do you make a point of examining what the export articles are on board of American ships to China, in order that, on the purchases made, you may save the cargo from the demand existing in China, and ascertained in this manner?—The provision for China is made upon an annual requirement from the Company's servants at Canton, which governs the Company as to the minimum, but they generally exceed it. A statement has been printed by the House of Lords, which shows the quantity demanded at China of the respective articles of commerce, and the quantity sent.

942. You had better refer to the paper?—It is No. 98, printed by the House of Peers, up to the year 1829–30; and there is now an order of the Peers to continue the account up to the latest period.

943. Has much alteration taken place of late in the articles exported to the China market, or do they continue to be much the same as they were some years ago?—The leading articles are the same, that is to say, the broad cloth and long ells, which are the principal, but the Company have exported British calicoes, cotton twist, and a variety of other articles.

944. Was not there a bargain between the India Company formerly, and the miners in Cornwall, that the Company should export a certain quantity of Cornish tin to China; and when did that bargain cease, if there was one?—There was an agreement that the Company should take so much tin of the agents for the county of Cornwall, at a certain price; I do not remember the exact price; but that arrangement ended with the charter of 1793, and there has been no agreement with the county of Cornwall since; they have a better market. If you please to look to the foot of the paper laid before the House of Lords, a memorandum will be found relating to tin.

945. Of late years there has been no Cornish tin exported to China?—None at all by the Company; tin is imported into Europe largely from the eastern parts of India.

946. When did the Company's export trade in tin cease?—It was discontinued with the export season of 1816–17; but three years afterwards some was taken by the Company to China. It finally ceased in 1821–22.

947. Was there any export of tin from this country before that?—It commenced in the year 1788.

948. Are you able to show whether it was a losing or a gaining concern?—Some years it was a losing, and in some years a gaining concern.

949. It was permanently profitable until a given year?—Many years it was attended with a loss, many years with a profit; upon the whole it was unprofitable. I have a view of it from 1793.

950. Is the paper you are referring to, printed any where?—This paper was made out by order of Mr. Villiers, who desired to see a continuation of the account of the China trade presented to the Lords' Committee on Foreign Trade in 1821.

951. What is the paper?—An account of the profit and loss of the East India Company on woollens, metals, British calicoes, and miscellaneous articles, sent to China, from the season 1793–94.

952. Did you bring this here intending to put it in?—I made it out at Mr. Villiers's request; but if regularly presented to this Committee, it should be authenticated by the Company's accountant.

953. Has the India Company of late exported cotton twist to China?—Yes.

954. What has been the quantity, in the last year of which you have an account, that the Company has exported?—The Company exported some cotton twist about

10 or 12 years ago; it was in the year 1820–21. It then ceased until 1827–28, when the Company sent out 90,000 lbs. weight; in 1828–29 they sent out 300,000 lbs.; in 1829–30 they sent out 300,000 lbs.; in 1830–31 they sent out 480,000 lbs.; in the present year the committee were proceeding to send out 480,000 lbs., and had bought 240,000 lbs. in part, but information was received from China, dated 2d April 1831, in which the Company's servants say, "In two districts in the immediate vicinity of Canton, and in another about 20 miles distant from it, very serious commotions have taken place among the natives at the introduction of cotton yarn. They loudly complain that it has deprived their women and children, who had previously been employed in the spinning of thread, of the means of subsistence; they have resolved not to employ the cotton yarn in their looms, and have expressed their determination to burn any of it which may be brought to their villages. These districts are very populous, and the people, as is so generally the case in China, industrious. While this is a proof of the triumph of English machinery, it is at the same time an indication that its success is calculated to create the same sensation of discontent among the working classes here as in other manufacturing countries. We do not learn that the officers of Government have as yet taken any notice of these disturbances; should they endeavour, by high or prohibitory duties, to check the importation of cotton yarn, we believe that it would only be followed by a further extension of the smuggling trade."

955. At what price was it offered for sale in the Canton market?—By bargaining with the Hong merchants for the most they could obtain for it.

956. What was the most they could obtain for it?—Their usual way of dealing in Canton is, not to put a separate price for each number of twist; they buy it at one average price.

957. You can state what was the quantity of each number sold, and what was the average price received since the year 1827–28, and you had better give the prices for each year?—It is bought here by the pound, and sold there by the pecul; of the *numbers* of the twist, 20, 50 or 80, one may cost three times as much as another in England, but in China it would all be sold at one and the same price.

958. Can you give the quantity of each number sold, and the price received?—There will be no difficulty in that, if required by this Committee; but the result of the sales is known for three seasons, which shall be prepared.

959. Do you know whether any considerable quantity of cotton twist has been exported by private traders, either Americans, direct from this country, or the British, after exporting it first to India?—I cannot answer that question. There is reason to believe that the first parcel of twist the Company sent to China, the 90,000 lbs., after the Hong merchants had bought it of the Company, was not consumed in China, but was sold to the Indian traders, who took it to Calcutta, and it has been said that it ultimately came back to England.

960. Has that which was exported since 1827–28 yielded a profit or a loss?—The first consignment of 90,000 lbs. was chiefly fine twist, and was sold at a great loss; the subsequent consignments were of lower numbers, and sold at a profit.

961. Is it believed that this commotion will have the effect of preventing the sale of it in China, or is it believed it will form an extensive article of export?—In the letter the Company has received from China, dated 17th October 1831, it is stated that, in consequence of a fraud being detected in the manufacture of coarse satins for the Indian market, by using twist of the high numbers instead of silk, it had become unsaleable at Canton, and had been transhipped to Sincapore and elsewhere.

962. Did the arrival of the letter, of the 2d April 1831, you have read, from Canton, stating the opposition to receive the cotton twist, induce the Court of Directors to stop the export they had prepared?—It certainly prevented the Company from sending the second 240,000 lbs.: they had bought half the quantity when the information came, and then saw it expedient to pause for the present season.

963. The Chinese did not carry their threat into execution of stopping the sale of it?—I believe not.

964. Did the Chinese government, as well as the people, in any way endeavour to resist the importation of cotton twist into China?—There is no information upon that point before the Court.

965. Can a statement be furnished of the profit or loss which the India Company derived on their export to Canton of woollens, metals, or other British manufactures, for the last 10 years, without estimating in such an account the profit or loss

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loss in reference to the tea investments?—The mode of dealing is, that everything is sold for its actual worth in the market, and therefore the profit or loss can be readily shown on any article.

966. Are you prepared with such an account?—I have the account before mentioned, which has been prepared by direction of Mr. Villiers, part of which has been laid before Parliament in the Lords' Report of 1821.

967. Is yours a correct account?—I trust it is; but still it may not be exactly right. All accounts are best made out by the accountant.

968. In what manner is the value of the tale computed?—At 6 *s.* 8 *d.*

969. Are you aware that there was a statement laid before the Committee on Foreign Trade in 1820–21, of the profit and loss on woollens and metals for a period of 26 years, from which it appeared that there was a profit only on three or four articles, and a loss on all the rest, which loss amounted to between 60,000 *l.* and 70,000 *l.*?—This Account, in p. 151 of the Lords' Report of 1820–21, is for 26 years, ending 1818–19.

970. Are you aware of the result which the former account exhibited?—Yes, it is here. The net loss in the 26 years is stated to have been 1,668,103 *l.* sterling.

971. Are you aware that the export trade has been carried on more profitably since 1820–21 than it was previously?—Very much so.

972. What has been the aggregate profit or loss in the period since 1820–21?—It is stated in the paper which has been referred to.

973. There is each year stated, but no aggregate?—Yes; but it would perhaps be inconvenient to add it up at the present time.

974. Is anything allowed in this account for the charges on trade for the expenses of the establishments in China?—I think not.

975. Has the Company relinquished, during the last few years, the import trade from Canton of all articles excepting tea?—The Company formerly imported China raw silk and nankeens, but they have discontinued it.

976. What has been their motive in discontinuing all the export trade from China, excepting tea?—They became losing articles, and the Company discontinued them. The Court say: "19th April 1822. The stock of nankeens now in our warehouses belonging to the Company and private merchants exceeds 765,000 pieces; the loss at our late sales has amounted to 21 per cent. on the prime cost and charges; and there is no prospect of a more favourable market. Under these circumstances we have not deemed it proper to transmit an indent for nankeens on the present occasion, and direct that, till further orders, you do not enter into engagements for an investment of that description of goods."

977. Since that time have the Company imported any nankeens from Canton?—None.

978. Is it not a fact that large quantities of nankeens have been imported from Sincapore?—Immense quantities from Sincapore and other places to the eastward.

979. That destroyed the trade with China?—I think it had scarcely began at that time.

980. When did the import of nankeens from Sincapore commence?—I cannot immediately answer that question.

981. Did any import of nankeens take place through any other channel than by the direct trade of the Company from China before 1822?—There could be no importation direct from China, except on the Company's ships.

982. Did not the commanders import nankeens?—Yes, they were privileged; the Act 1 & 2 Geo. 4, permitted the importation of China goods from all places, tea excepted.

983. My question applied to other articles?—9th April 1824, the Court of Directors say: "The price at which your purchases of China raw silk were effected, exceeds that at which the commodity has been vendible at our sales in the year 1828. Adverting to this circumstance, and also to the great stock now accumulated together in our warehouses, and to the large private imports which will probably take place in the course of the present year, we are led to regard it to be inexpedient that any China silk should be provided on our account in your season 1824–25; you will therefore abstain from entering into any arrangement for a supply of that article until you shall receive further directions from us upon the subject."

984. Since that period has any China silk been imported?—Not by the Company.

985. Have not large importations taken place on private account?—Very large.

986. Did

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986. Did not the price of China silk rise last year?—I think not.

987. The Company at present only imports tea; neither nankeens nor silk. Are you aware that the market of Europe has been less adequately supplied with those other articles the Company used to import, since the period when they ceased to deal in them?—It is matter of public notoriety that the market has been doubly supplied with nankeens, and very fully with raw silk.

988. Have you any grounds on which you can state whether the trade carried on in those articles by private individuals has been a losing or a gaining concern?—This is matter of opinion, but I should say a decidedly losing concern.

989. Do you know that from any examination of accounts?—No, from general information. The goods are sold at the Company's sales, and of course we know the prices they obtain.

990. Do you know, and can you state, what is the annual amount of goods sold on private account at the Company's sales?—That could be shown by the accountant; but I apprehend the Committee could not form any conclusion from it as to the extent of the trade; large quantities of goods are cleared by valuation, and large quantities do not come into the Company's warehouses; some are imported into Liverpool, Glasgow, &c.

991. Can you state whether the price of China raw silk in 1814 was 21*s.*, and whether the price in 1822 has not been as low as 13*s.* 6*d.*?—The price in 1822 was as low as 13*s.* 6*d.*; what it was in 1814 I cannot say without reference.

992. Have the prices of camphor and cassia fallen in the market of Europe since the Company ceased to deal in them?—The Company never dealt in camphor or cassia.

993. Has the importation of camphor and cassia from China been considerable of late years?—The Company's warehouses contain much of both articles.

994. Do you know whether the price of camphor and cassia has fallen very much of late?—As far as general knowledge goes, I can say that they have; the alarm of late had raised the price of camphor a few pounds, but it has gone down again.

995. It appears that in 1813–14 the value of imports into Canton was 5,646,000 dollars, and the value in 1830–31 was 4,007,046 dollars, which was a falling off in the imports of 1,600,000 dollars; what account can you give of this falling off in the amount of the exports to China?—The Company's exports to China have increased in quantity (except the long ells and camlets) and diminished in cost.

996. Is that borne out by matter of fact, that the quantity of exports remains the same as before?—In 1813–14 the accounts of long ells was much larger than they are now; the quantity of broad cloth was much smaller than it is now; the camlets were larger; on the whole, everything has been bought at such a reduced price, that although the quantity has increased, the cost of them has diminished.

997. Are you aware that in 1813–14 the private trade was 6,035,128 dollars, and that in 1829–30 it was 18,447,147 dollars, showing an increase of 200 per cent.; can you account for this large increase of private export at the time that the export of the Company has diminished?—That is what I am unable to speak to further than is stated in the Second Report of the House of Commons, ordered to be printed 11th October 1831, p. 662; but I apprehend the imports of opium must be included in the statement of the Indian trade.

998. Would this large increase in the export trade from India to China have taken place if the Company's monopoly in opium had not been broken in upon by the import into China of the Malwa and Turkey opium?—I am not able to speak to this.

999. What are the sole articles that the Company now import from India or China?—The sole article the Company now import from China is tea; from India they import raw silk and saltpetre made at their own factories, and indigo, which is bought in Calcutta: some silk piece-goods are still imported by the Company; sugar has been lately discontinued.

1000. Are the silk goods manufactured by themselves?—The commercial resident at Cossimbazar issues advances to the head weavers, under contracts for bandannoes to be delivered in return.

1001. Since when has the import of sugar been discontinued?—Orders are now on their way to India to discontinue it.

1002. In what manner is the sugar imported by the Company obtained?—The Company have a factory at Benares, with some established servants, who employ agents to go about the country and buy sugar from petty manufactures.

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1003. The Company purchases it after it has been refined?—Yes.

1004. Can you state what was the total amount of Indian imports by the Company on an average of the last three years, omitting China?—I have it not here; it can be furnished, if ordered by this Committee.

1005. And what is the amount of the articles imported by the India Company during the last three years, prepared by themselves, which should include the raw silk and the saltpetre only?—That account can be furnished if ordered.

1006. What are the total annual charges of the Company in India, as respects offices and establishments in India?—Returns of the commercial offices at Bengal will be seen in p. 672 of the Second Report of the House of Commons of 1831; the commercial establishments at Madras are abolished; at Bombay there is one factory for the provision of cotton to be exported to China.

1007. Do you know what per-centage the commercial charges in India, so far as regards offices and establishments, forms on the whole amount of the articles imported from India?—I cannot readily show this; the whole of the commercial charges are included in the invoices of the goods.

1008. Can you state what is the estimated value of all the commercial buildings in India?—The value of the buildings in Bengal, as relates to the silk factories, is in Appendix 25, p. 659.

1009. In estimating the cost of the silk, is any per-centage allowed on the capital expended in the silk factories?—Yes, but this is a modern practice.

1010. To how late a period has the account of commercial charges been made up?—Up to 1827; but last year a further reduction was made.

1011. Does there exist at the India House the materials for stating what is the value put by the Company on all their commercial buildings in India?—The auditor could state that.

1012. You are not able to state it yourself?—No; the value of the filatures will be found in p. 659 of the Second Report.

1013. The question was whether, in estimating the invoice price of the silk, an allowance had been made for interest on the capital invested?—It is not made; a charge for wear and tear of buildings is made.

1014. Since when has it been allowed?—For the last two or three years.

1015. What do you mean by "suspense charges?"—A portion of the charge for commercial servants.

1016. In the Account, p. 658, there is no allowance on the capital?—There is not.

1017. You said you could refer to an account where the estimate on the capital has been included?—I can refer to an account of the number and value of the filatures, but the general statement I cannot furnish.

1018. Have you any account in which the interest on the capital has been added in making up the invoice price?—I believe not.

1019. Had you anything to do with the making up this Account (p. 658)?—No.

1020. Do you not think that in making up such an account, in order to have it correct, an allowance should be made for the interest on the capital?—That is matter of opinion.

1021. What is your opinion?—It is part of the cost of the silk, I should say, certainly.

1022. Is it your business to ascertain, or can you state, what is the amount of all the outstanding commercial balances in India, by the last advices?—That is the business of the accountant; I beg leave to refer to p. 579 of the Second Report of 1831.

1023. Can you state what is the amount of commercial debts in India struck off as irrecoverable since the commencement of the present charter, and whether there are any means at the India House of making such a return?—I cannot furnish it; but it can be made up by the officers at the India House.

1024. Does the Company possess any advantage over the private merchant in making purchases of indigo in India?—The way in which indigo is purchased is by public notification or advertisement that the Company are desirous to buy indigo.

1025. What is the form of the notification?—The manner in which the Company formerly provided indigo, and the circumstances respecting it are stated in the papers annexed to the Fourth Report of the Select Committee of the House of Commons on the Affairs of the East India Company in 1812, pp. 115, 119, and 224. The present mode of provision is as follows: the Court of Directors, in the month of June yearly, cause orders to be transmitted to the Governor-General in Council,

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Council, signifying their view of the quantity of indigo which may be provided in the succeeding Indian season, and the prices which may be paid for it. The annual arrivals of Indigo in Calcutta from the interior commence about the end of October; and an advertisement is then published in the public newspapers, signifying that the board of trade are ready to receive sealed proposals, accompanied with musters, from such persons as are desirous of selling indigo to the Company. These tenders are considered by the board of trade, and those which appear most advantageous in price and quality are accepted. This course of practice is continued from day to day, through the months of November, December and January, or until the desired quantity of indigo is procured.

1026. When did the Company commence making remittances from the territorial revenue of India to England by means of indigo?—I am not aware that they ever did so.

1027. When did the Company commence making large remittances to this country in indigo?—In the year 1819–20; the Committee will find the remittance by indigo on the Minutes of Evidence of 11 October 1831, p. 655.

1028. Has any disadvantage arisen to the commercial interests of persons in India from the public revenue being annually invested in the purchase of a single article, to an extent varying from 300,000 *l.* to 700,000 *l.* a year?—The variation in the amount can only be judged of by seeing the orders which were issued at the time; the necessity of remittance of funds to England caused the Court to vary their orders.

1029. Are you aware that the amount to which the investment has been made in indigo, has caused extraordinary rise and fall in the price?—No. I think the Company had liberty to purchase indigo the same as any other house of trade; they had occasion to transmit funds to London, and they did so through indigo as the most convenient mode of doing it.

1030. Has there not been a heavy loss sustained in consequence of the East India Company making their remittances in indigo during the last four years, and what has been the amount of such loss?—The remittance of indigo has lately been a loss to the Company and to everybody else who engaged in it, but the necessity to provide some remittance was urgent, and indigo appeared the most suitable.

1031. Considering the expensive establishments of the Company, and the high freight which they pay, what advantages do you think they possess over the private merchant, in making their remittances in merchandize, as far as indigo is concerned, instead of in money or bills of exchange?—As far as relates to purchasing, the Committee have the result before them; indigo and other goods have lately been hypothecated to the Company by private persons, who give bills of exchange upon London in repayment.

1032. Do you think that the Company, in consequence of paying high freights, and having establishments more expensive than individuals, make their remittances in indigo more disadvantageously than private merchants would make such remittances in indigo?—I should think they are both much the same.

1033. Are you not aware that they pay higher freights than private merchants do?—In the regular Company's ships it is dearer; but the Court are in the practice of hiring ships for a voyage only.

1034. For the last three years has the average rate of freight paid by the Company been more or less than the common rate of freight?—In the Company's ships chartered for six voyages, as before observed, it is dearer; in ships hired for one voyage, it is neither more or less than a private person would pay.

1035. Have the actual freights paid by the Company for indigo, for the last three years, been higher or lower than private merchants sending indigo from India to England would have paid?—They must have been higher in proportion as the indigo was shipped in the regular ships.

1036. If the Company have paid higher freights than individuals would have paid, to that extent have they not remitted to England, by means of indigo, more disadvantageously than private merchants would have done?—It would seem to have that consequence; but the system of ships was forced on the Company by law, they were compelled to take up their ships in that way.

1037. Have you stated what is the total loss on the remittances on indigo during the last four years?—Please to see p. 656 of the Second Report.

1038. From 1819 up to the present time, what has been the average remittance per sicca rupee made in indigo?—It is stated in the printed papers to be 1*s.* 11½ *d.* and rather better.

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1039. It appears that the difference between the current rate of exchange of 1 *s.* 11.1886 *d.* the sicca rupee, and the remittance by indigo of 1 *s.* 11.5814 *d.*, has been 39-hundredths of a penny per sicca rupee; do you think it was worth the Company's while to carry on the indigo trade at so very small an advantage?—Under the circumstances, I should apprehend indigo was preferable, even if it afforded no advantage over bills.

1040. But supposing the statement to be correct, that the current rate of exchange of the sicca rupee is 1 *s.* 11 *d.* and 58-hundredths, being the remittance by indigo, the difference between the two being only 39-hundredths of a penny per sicca rupee, do you think it was worth the Company's while to carry on the indigo trade at so very small an advantage?—I beg to refer to my last answer; it will be seen in the account, however, that purchased indigo has afforded a very good remittance to the Company.

1041. Do you think it was worth the while of the Company to carry on the indigo trade in preference to another means of remittance?—Not if a more profitable means could be devised.

1042. It appears that during the last four years, if the Company had made their remittances by bills of exchange, instead of indigo, they would have saved 291,455 *l.*; is that not so?—I should humbly presume that the account must be taken in its whole extent.

1043. Do you conceive that if this Government had to make large remittances to the Continent for the pay of armies or making subsidies, it could do so more advantageously, by sending cotton or broad cloth, than it could by remitting bullion or by making the remittances through bills of exchange?—Most probably, by either bullion or bills of exchange; but I do not find myself competent to reason upon this point.

1044. Then why should the Company turn merchant, in order to make remittances, when the Government of this country does not find it worth its while to turn exporter of merchandize for the purpose of making remittances?—It is not in my immediate department to speak to this; but the Company, at the same time as they have been purchasing indigo by paying for it in Calcutta, have also been taking bills of exchange on London, to any amount they could obtain.

1045. Inasmuch as they turned merchants of indigo, did they not to that extent prevent private merchants from sending indigo; and would not bills of exchange have been drawn on London for the indigo by the private merchants, if the Company had not interfered in the indigo trade?—The indigo would probably have been sent to London by the private merchants; but would the Company have benefited thereby?

1046. Would not bills of exchange have been drawn for the indigo so sent by private merchants to this country?—The Company had offered to do so, as appears by their letter to Bengal of 3d June 1829. They say, "To one of the modes of drawing supplies to our home treasury, which was noticed in our letter of September 1813, we have not hitherto resorted. We allude to the measure of our Indian government making advances to individuals upon the security of goods and merchandize to be consigned to our care and management. We are desirous that this measure should be tried, and we therefore authorize you to give public notice that your government will make advances upon security of this description. We think you should limit the advance to two-thirds of the value of each consignment, such value to be ascertained by your officers upon actual inspection of the merchandize to be shipped. The parties to whom advances may be made must agree that the consignment be landed at the East India Docks, that it be delivered into our warehouses, and be subject to our management. For the repayment of the advance you will require bills of exchange, to be drawn in triplicate at six months' sight. Should the consignees require the delivery of the goods without passing the Company's sales, before the bills become due, the advance must be paid previously to such delivery, and we will allow interest at four per cent. per annum for the time the bills have to run. As a further security, the parties should be required to place bills of lading in triplicate, and the policies of insurance, in the hands of the officers of government; two of the bills of lading you will transmit to us, the policies of insurance you will retain until advice from us has been received of the due discharge of the amount advanced. With respect to the rate of exchange at which the advance is to be repaid, you will of course use your endeavours to obtain as favourable a rate as the state of trade and the money market shall authorize; but we desire you will not make any advances at a lower rate

rate than 1*s.* 11*d.*, (one shilling and eleven pence) per sicca rupee." This measure has not however succeeded; the whole amount of bills on London obtained at 1*s.* 11*d.* per sicca rupee, not having been more than about 400,000*l.* in the course of 24 months.

1047. In the return made to the Committee of profit and loss in the Company's investment of indigo, ought not the interest to have entered into the computation, at least for such period as the indigo remains unsold beyond the usual period at which bills drawn in England are payable; and in a merchant's account would not interest have been allowed for the whole period?—I should think not, as the rate of exchange allows for the interest.

1048. If a merchant was to make up his account at what rate he made a remittance of indigo from India, must he not have made interest enter into such computation to obtain a correct account, particularly if he was trading with a borrowed capital, and himself paying interest on the capital so advanced?—We presume that is not the case with the Company's capital.

1049. If he was trading with a borrowed capital, and paying interest on that capital, must he not make a computation of the interest enter into the account from the time the advances were made?—He probably might do so.

1050. If interest has not been allowed in making up the indigo account, explain on what principle it is that interest has not entered into the computation?—I apprehend it is a comparison of taking bills, or of purchasing the indigo. In the former years of the account it was in favour of the purchaser. In either case the money is advanced from the Company's treasury in Calcutta, at the same time equally realizable in London; and therefore I conceive, if interest should be charged on the indigo, it should be charged on the bills also.

1051. The question is, whether interest ought not to be allowed for such period as the indigo remains unsold beyond the usual period at which bills drawn from India or England would be payable; in calculating the profit and loss, would not that be the correct mode of making the computation?—It probably would.

1052. Has the computation been made in that way?—It has not.

1053. Has the indigo remained unsold at a later period than bills drawn in the ordinary manner from India upon England would have become payable?—In the present state of the market I should think the bills would have been realized before the indigo was sold.

1054. How much later on the average would the indigo have been realized than the bills would become payable?—I cannot answer that question.

1055. Can such an account be made up?—I should think so.

1056. There being at present no export of British merchandize to India, and no export of bullion to India, are there any other funds than the territorial revenues of the State employed in procuring the Company's investment of silk in India?—I apprehend that all the Company's investments are provided from their commercial funds, and that it admits of no other mode of stating it.

1057. Are not advances made out of the territorial revenue in India in making investments in silk?—I apprehend not. I do not understand it so, according to the best view I can take of the subject.

1058. Then explain why you think they are not?—The Company advances money from their treasury in London on account of the territorial branch of their affairs, for which they have credit in India; and as the territorial branch of the Company's affairs is greatly indebted to the commercial branch, what is issued by the governments in India to buy raw silk and indigo is, *pro tanto*, a repayment in London for the amount which the territory owes to the commerce. I am not able to look at it in any other view. I think the accountant would be more able to answer the question than I am; but so long as the commercial branch of the Company's affairs is the creditor of the territorial branch, it cannot be said the investment is provided by the territorial revenues.

1059. Is not the principal motive for the Company making investments in silk, and are not the commercial establishments connected with silk maintained for the purpose of enabling the Company to remit the territorial revenue to England?—They are maintained as a medium by which the remittance of the amount due from territory to commerce may be in part effected. The Company export nothing to India in the way of merchandize, and they bring no merchandize from India, with reference to profit and loss; but the raw silk does not realize in London as much silver as it had cost in Calcutta. It is a losing concern, so far, to the commercial branch.

 1060. Can

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1060. Can you state upon what principle the column in the Account, p. 656, of the investment of raw silk, and headed "Cost of Provision, &c." has been made up?—I think it is explained in p. 658.

1061. Does this column include the proportion of the general charges of the commercial establishments in India?—They are added afterwards in the same account.

1062. In which column is the proportion of the commercial establishments borne by the silk?—It is included in the factory cost.

1063. Do you know that to be the case?—Yes. It includes the whole cost of the silk, the expense of people winding it, and so on.

1064. Does it include the proportion of the expenses of the commercial establishments?—The sum total of the invoice embraces every kind of charge that attaches to the silk, except interest.

1065. On what principle is the item called "wear and tear" computed, and what means are possessed at the India House of checking such computation, considering that it is stated in a Report of 1831, p. 659, that no account of the buildings at the several silk factories has been transmitted from India?—The item was assumed upon estimate.

1066. How is it known that this statement is correct, and on what principle is it that the account has been computed?—In consequence of notice being taken that these charges were not added, the Court (28 November 1827) ordered that a per-centage be added on account of fixed capital invested in commercial buildings, and also for irrecoverable debts.

1067. Then the column headed "wear and tear" is a computation not founded on the actual ascertained wear and tear of the buildings in question?—Not on the actual ascertained wear and tear; an estimate only.

1068. In the Account, at p. 656, of the annual investment of raw silk, from 1814 to 1829, there is no allowance for interest; ought not the interest to be collected from the time the advances were made until the profits of the silk are realized in England, or at any rate until the period of its being shipped at Calcutta?—I can only say it is not the custom to do so.

1069. Can it furnish a correct view of the subject, unless such computation is included in the account?—For the purposes intended I presume it does.

1070. Supposing that during the whole time interest was payable upon the advances made, would it not yield a fallacious return?—If the money was borrowed expressly for the purpose of furnishing the silk, it would have that effect; but this has now become simply a medium of remittance, and the best way you devise to place money in the Company's treasury in London.

1071. Is any allowance made in the accounts furnished for irrecoverable balances to the growers of the mulberry, or to the feeders of the worms, or for similar advances made to any other party?—These outstanding balances are contemplated in the order of November 1827.

1072. Do these accounts include balances advanced to the growers of the mulberry and the feeders of the silkworm?—The Company do not deal immediately with the growers of the mulberry, nor with the feeders of the worms. The agent who comes in immediate contact with the Company is a middle-man, called a pykar, to whom advances of cash are made by the commercial resident, which the pykar circulates amongst the breeders of silkworms throughout his district. There are some exceptions to this course.

1073. Does this account include all the sums that have been so lost?—I presume it is meant to embrace them.

1074. Is it an actual account of the balance?—I can say nothing further than appears from the account itself; further explanation can probably be given.

1075. Can an account be furnished showing what the sum actually lost has been?—Accounts of outstanding balances can be shown.

1076. Does this include the losses with all the advances made on account of the pykars?—It is furnished by the accountant.

1077. Do you believe it to be correct?—I can have no doubt it is.

1078. It is stated in the Account, p. 579, that the balance which may have arisen from the advances made on account of provision of silk, cannot be distinguished from the advances on account of the other articles of investment provided for the several commercial residencies, and that a return of the outstanding balance of raw silk cannot be furnished; does it not appear from this statement that this account of the outstanding balances and loss must be a

matter of computation?—No; the books will show what stands out at any period of time.

1079. Is that consistent with the statement at the foot of this account?—I understand the statement to mean only that the gross amount of balances cannot be apportioned to the particular goods.

1080. Does it not appear from the Account, p. 656, that upon five years out of 16, a loss was sustained by the Company on the silk investment, amounting to 223,980 *l.*?—It certainly does so; but if the Committee please to look at the average number of years, the raw silk has been a very good remittance.

1081. Comparing the 10 years of the silk investment with the 10 years of the indigo investment, it appears that the remittance made by the silk was on an average of 2 *s.* and 8-hundredths of a penny per sicca rupee, or no more than 5-10ths of a penny above that made by the indigo; supposing that to be correct, do you consider that it is worth the while of the Company to maintain, for that small difference, the large commercial establishments it has connected with the furnishing the investment of raw silk?—I would beg to refer the Committee to what I have taken the liberty of offering upon the comparison of indigo with bills of exchange.

1082. Had interest been reckoned on the advances made, from the time of receiving them until the shipment of the silk at Calcutta, and had the actual rent, wear and tear of the buildings, entered into the computation, do you think that even the difference of one penny per rupee would have existed between the remittance in indigo and the remittance in silk?—Probably there would have been no difference.

1083. Can you state what was the cost of the Company's investment of raw silk in Calcutta in 1814 and 1815, and what it was in 1829 and 1830?—Yes.

	Maunds.	Per Maund Sicca Rupees.
1814	9,619	455
1815	6,920	424
1816	5,063	425
1817	5,011	481
1818	10,053	504
1819	7,350	532
1820	10,815	558
1821	10,950	597
1822	11,323	590
1823	11,292	591
1824	8,745	591
1825	9,282	612
1826	12,010	594
1827	12,287	611
1828	13,801	569
1829	14,970	524
1830	14,591	501
1831	13,719	486

1084. Does it not appear from this account that there has been a progressive rise in the price of raw silk from 1815 to 1830?—Yes.

1085. How do you account for that rise?—By the Company endeavouring to increase their quantity of the silk.

1086. Why should the endeavour to increase the quantity raise the price?—The supply was not equal to the demand, and the growers availed themselves of that circumstance.

1087. Has the price of Bengal raw silk in this country fallen since 1814, or otherwise?—That will be found in Account 24, p. 39, of the papers of 4th June 1829.

1088. Have you got the sale price in 1832?—That is the current year; there was a sale in February, but it was unfavourable.

1089. What was the price in 1814?—It was very high; 24 *s.* per pound for Company's Bengal silk.

1090. Supposing that in 1814 the price of Bengal raw silk was 16 *s.* per pound, and in 1832 it was 14 *s.* 1 ½ *d.* Indigo fell during the same period from 10 *s.* 9 *d.* to 4 *s.* 5 ¾ *d.*; pepper fell during the same period from 15 ½ *d.* to 3 ⅝ *d.*; and

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Bengal sugar from 50*s.* 8*d.* to 24*s.* 6*d.* Can you state the reason why a fall has not taken place in the price of Bengal silk in the same proportion as it has in all other Indian commodities?—I can only presume that silk had not kept pace in rise of price with other commodities, consequently the fall has not been so great. The consumption of silk is steadily increasing, and the East India Company have endeavoured by all proper means to augment the quantity of Bengal raw silk, and have been successful, as also in maintaining its quality. No more silk has been produced than the market required; of other commodities there has been evidently too much.

1091. If a fall corresponding to the fall in other articles had taken place in the price of raw silk, would not the silk manufacturer in this country have been greatly benefited thereby?—I am not prepared to give an opinion.

1092. If it has benefited by the fall that has taken place, would it not have been still more so if the fall in raw silk had corresponded with that of other articles?—I beg to refer to my last answer.

1093. Would there not have been a corresponding fall in the price of silk if the Company had not interfered in the silk trade?—The trade in silk is perfectly free; if the Company declined to make silk, and gave up their factories, it is impossible for me to say whether any person would embark their capital; the Company's filatures with the machinery are probably worth 20 lacs of rupees or more, if actively employed.

1094. The Company's silk factories commenced in the year 1770, and the manufacture of indigo by Europeans in 1785; the value of the Company's raw silk in 1827 was 78,63,000 sicca rupees; the value of indigo exported from India at the same period was 3,89,78,653 sicca rupees; how do you account for this very great excess of the increase in indigo beyond the silk, considering that the Company's filatures have been much longer established in India than the manufacture of indigo has been established by private Europeans?—I consider the real manufacture of indigo in India was created by the Company, the old Indian way of making indigo was very imperfect; the Company advanced money to the indigo planters, as is recorded in the Parliamentary Papers. But what caused the great and sudden prosperity of the indigo trade in Bengal was the destruction of St. Domingo, which supplied nearly all the world with indigo previous to the French revolution; but after the revolt of the blacks, it did not produce a pound; the indigo factories were all destroyed in the very early days of the revolution.

1095. It was stated on the Committee on Foreign Trade in 1821, that at that time no improvement had taken place for a long time in the quality of Bengal silk; can you state whether any improvement has taken place since that period, and if so, have you any correct means of ascertaining to what extent that improvement has taken place?—The Company introduced into India the Italian method of winding silk, and at a great expense have maintained that kind of machinery. The silk of Bengal is not so strong in its nature as the silk of Italy, France or Turkey; and Bengal is the only country within the tropics that produces silk as an article of merchandize. I am afraid, if the Company did not continue to produce silk, the Italian method of winding it would fail, and the silk fall back to its old character.

1096. How does it happen that private individuals do not apply their skill and industry to the production of silk in India, to the same extent as they have done to the supply of indigo?—I am not in a condition to answer that question; but I presume the indigo was more profitable.

1097. Do you think the maintaining of these establishments by the India Company is one of the causes why individuals have not applied their skill to silk in the same manner as they have done to indigo?—Persons have come out from England and built filatures at a considerable expense, but found it did not answer their purpose. There is no restriction.

1098. Do you know who it was who sent parties out from England for that purpose?—I do not remember their names.

1099. Are you aware that shortly after the last renewal of the charter there were parties who wished to send out agents to superintend the filature of silk, and license was refused them?—I know nothing of that; persons have certainly proceeded to India, and have erected silk factories.

1100. Since when?—I cannot speak exactly as to time.

1101. Would it not be a great advantage to the silk manufacturers in this country, and enable them to compete more successfully with foreigners than they do at present, if an improvement in silk correspondent to that in indigo was to take place?—Many

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—Many years of assiduous attention have been paid to the Bengal silk by the Company; and further measures are at this time in progress to introduce European silk-worms and mulberries.

1102. What detriment, in your opinion, would accrue to the Company if they were to relinquish their silk filatures and trade in silk, leaving their premises, and allowing other Europeans to carry on the trade, not having the India Company as a competitor with them in the same trade?—My opinion is, first, that no man, or body of men, could be found who would take the Company's filatures at anything like what they are worth; if they did, from what we see of private trade, I think the silk would degenerate. Mr. Durant says, in effect, that Italian silk is good, French silk is good, and Indian silk is also good, each in its way; and Bengal is as much required as any other kind, if not more so.

1103. Does not the value of the silk establishments, according to your former evidence, principally depend on their being a means of remittance from India to England; and if the Company was to make their remittances by bullion or bills, at a rate equally advantageous, and were also to obtain a net rent for their present silk establishment, would they not be the gainer by such a change of system?—They would be so on the supposition that they could get men to take their works; but is not something to be considered in respect of exporting the bullion? so long as the Company maintain their silk factories, and make 70 lacs'-worth of produce, so far as that goes it prevents the necessity of exporting so much bullion.

1104. If individuals were to continue the manufacture on as great a scale as the India Company now carry it on, would not the drawing on England for the amount of silk so remitted by individuals afford the same means to the Company of making a remittance to England which they now have by themselves conveying the silk from India to England?—If all the silk was available to the Company as an article of remittance, it would be the same thing; but how could you be sure it would be all at the Company's option at a reasonable rate of exchange?

1105. If individuals were to carry on the silk trade, would not bills be drawn to the amount of the silk so remitted?—The bills might be drawn, but they might not be at the option of the Company. At present the Company are remitters by bills, and so far as the value of the Company's silk goes it prevents them from being greater remitters by bills; deprive the Company of the silk, and you add to the Company's necessity for drawing; for inasmuch as they grow silk and send it to London, they are kept out of the market for the like amount of bills.

1106. Suppose the Company are now buying bills to the amount of a million by this remittance of silk; suppose they let their filatures, and the individuals drew on London to the amount of that million, for the silk which they sent, the Company would then have to purchase bills on England to the amount of the million, but there would be more bills to be disposed of by individuals to the very same amount of the million to be remitted; would not the number of bills increase, supposing individuals were to carry on the silk establisment, in the same proportion as the demand of the Company for the bills would increase?—This is a question which involves various considerations; I am not enabled to give an answer.

1107. Has not the number of hundred weights of saltpetre imported by the Company declined to about one-fourth of what it was in the year 1814?—It has declined.

1108. It was 146,000; it is now 37,300?—It is so.

1109. Is not the total quantity of saltpetre now imported much greater than it was during any period of the late war?—I am unable to answer this without the accounts.

1110. In what year did the Company's exclusive monopoly of saltpetre cease?—The right of the Company to the exclusive provision of saltpetre in Bengal is so connected with their privileges as the ruling power in India, and with considerations of revenue, that it does not admit of being answered without consideration, and reference to documents. But in fact and practice the trade in saltpetre has been entirely free since 1814.

1111. Has there been a great fall in saltpetre since the private trader has imported it?—Very great; it has fallen to so low a price that it has been bought to throw on land for agricultural purposes.

1112. Was not the price in 1814, 89*s.* 6*d.* per cwt.?—Yes, and in 1823 it had fallen to a guinea; in 1830 the stock was nearly all gone, and at the Company's sales it began to rise from 28*s.* to 33*s.*, 37*s.* and to 42*s.*, and now it is 37*s.*

 1113. Has

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1113. Has the Company's import of saltpetre been profitable to them, or otherwise?—The amount of profit and loss on saltpetre since 1794 will show that previously to the charter of 1814 it was profitable; subsequently it has been very unprofitable, until 1830.

1114. Had not the Company a contract for supplying saltpetre to His Majesty's Government?—Yes.

1115. What were the terms of that contract?—The terms were that the Government should be furnished with 1,500 tons of saltpetre in two years, at its actual cost and charges, and repay the Company for the cost at the rate of exchange agreed by the Lords of the Treasury for monies advanced in India by the Company for the public service.

1116. Is that contract still subsisting?—I believe there is a small balance of saltpetre still due to the Government.

1117. What was the rate of exchange agreed on by the Lords of the Treasury?—In one year 2*s.* 0½*d.*, in the other 2*s.*, per sicca rupee.

1118. Has the contract proved advantageous or disadvantageous to the Company?—Neither one nor the other as a mercantile transaction, but it was convenient as a remittance.

1119. Does the Company purchase the saltpetre in India from individuals, and merely engage to deliver it here?—The Company make the saltpetre.

1120. What is the price at which they supplied it to the Government?—It was calculated the Company should be able to supply it at 25*l.* a ton, but it was not provided at that price. Saltpetre can only be made in the dry season; the weather proved very wet, and destroyed the saltpetre on the grounds, and instead of the Government getting it at 25*l.*, it cost 34*l.* or 35*l.*

1121. Does not the Company export from India to China a considerable quantity of cotton wool annually, for the purpose of contributing to the purchase of the tea investment?—Very largely, both from Bengal and Bombay, and they did so from Madras until the factories there were abolished.

1122. Is not the cotton wool purchased in the interior of India by the Company's commercial agents?—Yes.

1123. For what reason has not the cotton been purchased in the open market, in the same way as the indigo investment is purchased?—It has not been seen expedient to do so.

1124. What advantage do the Company's establishments in India possess over those of private individuals in making such purchases?—None whatever.

1125. What advantages do they possess over private individuals, in conveying articles to the market at Canton?—None whatever; the Company's Europe ships generally carry the cotton.

1126. Then why do they not make the purchase in the same manner as they make purchases of indigo?—The Company buy the cotton through agents at the principal marts in the interior, and not immediately from the grower; they are supposed to buy it as cheap as any other dealer.

1127. Can you state what the cotton actually cost them for a series of years?—Such an account can be furnished if ordered.

1128. Can you state what in 1821 was the cost of cotton purchased by the Company?—I have not the means here of doing so.

1129. Can you state during the same year what was the market price of cotton in the Calcutta market, so as to show what profit or loss the Company derived from employing agents themselves?—The price in the Calcutta market can be shown for a length of time.

1130. Can such an account be furnished?—Yes, if the Committee are pleased to order it.

1131. Are not the military stores sent to India under your department?—Yes.

1132. Do you not think that woollens for the clothing of the army, stationery, and most articles, with the exception of iron, cannon and fire-arms, might be better and cheaper procured in the markets of Calcutta, Madras and Bombay, than sent out subject to the heavy freights the Company pay?—I apprehend woollens, of all other things, should be provided in the way in which they are now; they can be provided as cheaply by the Company as by any other party, and they should be all alike in quality. Government here have a board of officers to examine all the military clothing, to see it comports in all respects. In like manner the Company's cloth undergoes the most minute inspection. I cannot see how it could be provided cheaper or better in India.

1133. May

1133. May it not be inferred that the goods would be bought cheaper in India than they can be exported by the Company, from the circumstance of the Company having to export such commodities in its official capacity?—I believe the Company provide their woollens cheaper than anybody else.

1134. For what reason, except that the Company found it could not advantageously compete with the private merchants, have they ceased to export articles in their official capacity?—I stated to the Committee, when I last had the honour of attending them, that in consideration of being so large a balance due from the territorial to the commercial branch of the Company's affairs, that the Court of Directors did not deem it expedient to send out anything to India for commercial purposes.

1135. From what you know of the prices of commodities exported by individuals, do you believe the Company could have sold their commodities in India at as low a price?—The Company sold their copper, woollens and other goods, by auction to the highest bidder, in small lots, at monthly sales.

1136. Since the trade has been thrown open, and more especially within the last 10 years, do you believe the Company could have afforded to sell the various commodities which they formerly exported to India at as low a price as they have been selling for in that country?—I am not prepared to answer that question.

1137. You cannot say whether the Company could or could not have successfully competed with private individuals?—The Company's course was to buy the copper and other principal articles by advertisement, and to sell it by auction in Calcutta, as before observed. Copper was, generally speaking, very profitable; and there was a profit generally.

1138. To what period are you referring?—To the time the Company ceased to export.

1139. When did they cease?—In 1824–25.

1140. Has not the price of copper fallen very much since that period?—It is cheaper now.

1141. Is this the only article to which you refer?—Copper, woollen and iron were exported by the Company; the sole reason why the Company left off exporting was the constantly increasing balance due from the territorial branch, and the difficulty in procuring articles of Indian manufacture or produce suitable to the London market, in return for the British staples exported.

1142. At the time they ceased to export, were the prices at which the goods were selling by private individuals in India higher or lower than the prices at which the Company could with advantage afford to sell them?—I have no means of answering that question.

1143. Do you think, if the Company at that time could have derived a considerable profit from the export of articles, that they would have ceased to export?—There was a profit; I have stated the real causes why the Company ceased to export.

1144. How late was there a profit?—I believe up to the time the Company ceased to export.

1145. Was it not the difficulty of effecting the remittance to this country, and the loss sustained in doing so, that was the cause of their leaving off exportation?—Profit and loss was not certainly considered; I have stated the only cause.

1146. Do you mean that between the period of sending out goods and realising the return in this country, instead of there being a profit there was ultimately a loss?—The Company, until in very modern times, exported merchandize and sold it for the purpose of buying merchandize again, as other merchants or dealers would; but when the Company's funds became involved in territorial considerations, the mercantile part of necessity gave way.

1147. How can you estimate whether there was a profit or a loss, without including in the calculation what was the ultimate return made to the Company in this country, after making an investment in India of the funds received there for the goods sent out, and ascertaining how much was realized in sterling in this country by the sale of the investment?—That would have been part of the consideration if there had been a loss, but the trade with India was profitable up to 1824 and 1825.

1148. Do you mean it continued to be profitable, if you include in the calculation both the amount realized in India on the goods sent out from this country, and the amount realized in England on the return investment?—I mean that copper

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exported from London to India, and the proceeds converted into Indian merchandize and brought back, would yield a very good profit. In the year 1814 the Company's sale of Indian piece-goods was a million and a half sterling, and the profit was 414,185 *l.*

1149. At what rate is that per sicca rupee?—It would require a calculation to speak precisely; but the exchange would be about 3*s.* 9*d.* per sicca rupee.

1150. Could they obtain for the rupee, when converted into Indian produce and remitted again to that country, the profit of 257,000*l.* on the article?—They might have returned the amount to India in bullion at that time.

1151. When was it that the sale of export goods from this country ceased to be profitable?—That would depend on the price at which they could be bought, and the price to be obtained there. For the last six or seven years everything would have been unprofitable, if merely from the difficulty of effecting returns to England.

1152. Since everything exported ceased to be profitable during the last seven years, and individuals have sold their goods at lower prices than the Company could afford, may it not be inferred that stores could have been bought in India at a lower price than the Company has exported them?—I feel a difficulty in admitting that individuals could have afforded to sell the goods cheaper than the Company.

1153. Have not individuals exported various articles cheaper than the Company could with advantage?—I am not aware of that circumstance.

1154. May you not infer that the same consequences would have applied to military stores as have during the last seven years applied to the other articles exported?—Military stores should be governed by other considerations than those of trade; at that time the Company did not allow military stores to be taken into India *ad libitum*, and it is not lawful now.

1155. Suppose the Company had had a contract for the delivery of certain cargoes of military stores, do you believe they could have got them delivered cheaper in India than they could have exported them themselves?—I cannot see any reason why they should.

1156. Has the Company ever made such contracts for stores?—No; I believe only as to coals.

1157. Are the freights greater or less than those of private individuals?—I have before observed that if the goods be shipped in a regular Company's ship, the freight would be little more than in a ship hired for one voyage.

1158. Supposing an article to be purchased in this country for export by the Company and by an individual at the same price, would not an individual be able to contract for its delivery in India at a lower rate than the Company could export it themselves?—I presume I have answered this question before.

1159. In case the Company contracted for military stores to be delivered in India, could they not secure these being of good quality by appointing their own officer in this country to survey them, or an officer to inspect them on their arrival in India?—The inspection of military stores is very rigidly performed, first in England, and secondly after they are landed in India.

1160. In the last case supposed, would it require more officers to examine the goods here previously to their exportation, than it now requires when the Company export them themselves?—I am not enabled exactly to see the difference that would exist in the system.

1161. Do you know how freight on military stores is charged, generally speaking?—There is a certain proportion of freight; it comes to no great deal, I believe.

1162. Are you aware that almost all heavy military stores are sent out in ships taken up by tender at the cheapest rate?—I am not aware of such a circumstance.

1163. Are there not persons appointed in India to survey them?—Yes; but if the stores not having undergone a survey in England should be rejected in India, the consequences might be very serious.

1164. Do not private merchants, to a considerable extent, dispose of their goods at the Company's sales in England?—Yes.

1165. Do they entrust the entire management of their goods to the skill and care of the Company's servants?—Entirely.

1166. Do the Company make the same charges as private individuals for warehousing?—The Company's system of management differs very materially from that at the public docks, and does not admit of comparison. The public docks

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docks act simply as warehouse-keepers, for receiving and delivering goods. The East India Company do the same; and in addition, sell the goods, receive the proceeds, and in fact become the agents of the importers, which the public docks do not undertake.

1167. What are the charges at which the Company receive and effect the sales of goods, and what is the difference between these charges for warehousing and those of any of the public dock companies; and also between their charge of commission and the charge generally made by private merchants?—The warehouse charges for landing and housing are about the same as the docks. The charges for sale, and receiving and paying over the proceeds, are such as the Company have from time to time seen it reasonable to require; in fact, they are very reasonable.

1168. What are the commission sale charges?—A schedule is printed, and in general circulation.

1169. Are they higher or lower than private commission merchants are in the habit of charging?—I apprehend on the whole they are lower, because no person is compelled to bring his goods to the Company unless he thinks it advantageous to do so; and still almost all the valued goods are continued to the Company. The Company have their own officers in all the public docks in the port of London, where they receive charge of any goods housed there, which the importers are desirous to entrust to the management of the Company.

1170. Inform the Committee when the present rates were established, and did they exist prior to 1814?—The Charter Act of 1813 laid the trade with India entirely open; and the continuance to the East India Company of the housing and sale of private Indian merchandize depended upon their holding forth such reasonable terms as the public might approve. Schedules of rates, as before stated, were promulgated by the Company, which have been varied from time to time to meet existing circumstances. The periods for sales, &c. have been arranged with the concurrence of importers and buyers. These regulations are understood to be very satisfactory to the public at large, insomuch that many importers of Indian merchandize who choose to deposit their goods in the public docks, still desire to obtain the advantage of the Company's system and management, and place the goods under the Company's control as if they were in the Company's warehouses. The resort to the Company's warehouses and sales is entirely optional on the part of the importers of India merchandize, who are at full liberty to house their goods where they please, and to sell them as they please, except Indian piece-goods intended for home consumption (6 Geo. 3, c. 4). The comparative despatch and economy in landing and selling goods at Liverpool and in London, I am not able to speak to. It is for the interest of all dock companies to unload the ships as quick as they can.

1171. Is not the sale of private goods entirely governed by the wishes and convenience of the proprietors and consignees?—Entirely so.

1172. Are not the sales of East India goods conducted at Liverpool by private individuals with as great despatch and economy as they are in London by the East India Company?—I see no reason why it should not be so.

Mercurii, 14° *die Martii*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

William Simons, Esquire, called in; and further Examined.

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1173. CAN you account for the increase which appears to have taken place in the commercial establishments in Bengal, on comparing the year 1816–17 with the year 1826–27; has there been a larger amount of commercial business done in Bengal at the latter period than there was in the former?—The Account in p. 672, shows there was a less number of factories in 1826–27 than in 1816–17; but that the expense of the European establishments in 1826–27 exceeded that of the former period by rather more than a lac of rupees; this was occasioned in part by the moiety (48,000 rupees) of the expenses of the board of trade, which in 1816–17 was borne by the territorial branch having, in the latter period, been transferred

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transferred to the commercial branch; and further, by the commission accruing in 1826–27, to the commercial residents chiefly at the silk factories, upon an enlarged investment of that article. But if the Committee will be pleased to refer to p. 680, a reduction of nearly two lacs of rupees will be found to have taken place in 1826–27, under the head of "Establishments connected with the Commercial Department in Bengal."

1174. Do you know what are the duties of the several officers mentioned in page 672, of the Report of the Committee of the House of Commons in 1831?—No further than as they are described by the names of their offices.

1175. Can you state how much of those establishments could be dispensed with, if the purchase of indigo and the manufacture of silk and saltpetre were abandoned by the Company?—If the purchasing indigo at Calcutta were discontinued, and the provision of raw silk and saltpetre at the factories relinquished, the functions of the controlling board at Calcutta, and its establishment, would have ceased.

1176. Are you sufficiently acquainted with the detail of the business in India, as to state whether any of those various offices described in the account referred to might be dispensed with if the business goes on on its present scale?—The commercial establishments at Bengal have been very lately under revision, and no reduction in the offices was seen necessary except the import warehouse; but the salaries have been reduced. I beg to refer to the statement which I have before presented to the Committee.

1177. Does the establishment of buying and warehouses, in No. 35, in page 684, fall under your department?—Yes.

1178. Is that the whole which falls under your department?—That is the whole of my department in the India House, but I am also the chief clerk for the warehouse department.

1179. Have you anything to do with the East India wharf?—Yes.

1180. State which of the offices described in this Paper are under your department?—The office of the committee of buying and warehouses is my particular station; the auctioneer is under me; the East India wharf is jointly under the committee of shipping and the committee of warehouses; the tea warehouses are under my department; the Bengal warehouse is under my department, the coast warehouse has been united with the Bengal warehouse; the private trade warehouse, the assistant private trade warehouse, the pepper and saltpetre warehouse, the baggage warehouse, the military store warehouse in part, the office of clerk to the committee of house, is in me, and has merged into my office, the salary which attached has been discontinued.

1181. Can you account for the increase which appears to have taken place in the first of those offices, the office of buying and warehouses; it appears that the charge for that office has increased from 7,941 *l.* to 9,553 *l.* a year, notwithstanding that in the period the commercial export trade was relinquished?—The clerks' salaries increase according to a scale of service; the account under consideration was prepared by the Company's accountant, and I am unable to explain the particulars.

1182. Is the coast warehouse department done away with?—I have stated that it has been joined with the Bengal warehouse.

1183. Can you detail all the particular duties of all the officers of these departments?—I, as the principal of the department, have to originate the business, and to see that it is duly performed, and that the officers and clerks obey my instructions in preparing papers, and in the general business of the department, which is very miscellaneous.

1184. The expense of the private trade warehouse appears to have increased during the same period, from 2,621 *l.* to 3,795 *l.*, in what manner do you account for that increase?—I presume the increase is the effect of the salary regulations.

1185. Is that in reality the cause, or do you merely conjecture that it is?—I only presume that it will account for the increase; the accountant who made this account has alone the documents to explain it.

1186. Does the nature of the duties of the commercial agents employed in India come under your cognizance?—There are no agents remaining but the silk agents, and the agents for cotton and saltpetre.

1187. Are you acquainted with the duties they have to perform?—An order is sent out by the Court annually for the quantity of raw silk or other goods to be provided in the ensuing year.

1188. What description of agents are selected for that purpose, are they men

who

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who have experience in commercial business, or how are they chosen?—They are selected by the Governor-general in Council.

1189. From what description of persons are they chosen?—From the civil service.

1190. They have all been in the regular service of the Company?—They are all covenanted servants of the Company, who have proceeded to India as writers.

1191. Are they persons who have experience in commercial matters?—They are selected by the Governor-general, and I must presume are fit persons.

1192. What is the mode in which they are compensated?—They have, until lately, been compensated by a monthly salary, and a commission upon the goods they provide; but within the last year this mode has been changed, and the commercial residents are now paid by fixed salaries only. The Schedule is before the Committee.

1193. Hitherto, except during the last year, they were paid a commission upon the gross amount of the purchases?—Yes.

1194. Have they not an interest then in purchasing at the highest price, in order to increase their commission?—I have no right to suppose they have been influenced by such motive; but if such a disposition had existed, it would have been checked by the inability of the commercial agent to make good engagements to a larger amount than had been allotted to his factory, without subjecting himself to reprehension.

1195. Did the agents confine themselves to the sums apportioned to them?—Previous to the year 1801, it seems occasionally to have been a practice with some of the residents to enter into engagements in excess of the authority they had received; but in that year the Marquis Wellesley directed the board of trade to issue a circular order, forbidding the commercial residents upon any account to receive goods tendered as surplus deliveries, without express permission for that purpose. Another check upon such practice would be found in the Court's Regulation of 1814, which limited the total amount of the commission and salary to a sum not exceeding current rupees 40,000, and that the surplus be carried to the credit of the Company, with a proviso, however, that if an unusually large investment should be ordered at any particular factory, and the resident should have conducted himself with zeal and ability, the Governor-general in Council might pay him a portion of the surplus commission, not exceeding one-half thereof.

1196. In fact it was found that they did not rigidly observe their instructions not to lay out more than a certain sum each?—It had been found there was a tendency to enter into engagements for more than was allotted to them, which the order of 1801 was intended to prevent; as was in part the intention of the order of the Court of Directors of 1814, with a further intention of preventing the commercial agents from drawing larger emoluments, under any circumstances, than was consistent with a measured liberality.

1197. Did they find security for their good behaviour?—No; they were covenanted servants of the Company, in the regular line of the service.

1198. What sort of control did the board of trade exercise over them?—A constant superintendence; the commercial servants regularly report all their proceedings to the board of trade.

1199. Then in that case if a commercial agent exceeded his instructions in the amount he laid out in the purchase of goods, it would be the board of trade, and not the agent who would be in fault?—He would be subject to reproof, and would gain nothing by it; the surplus commission would in such case not be allowed.

1200. Is the limitation placed on the sum which an agent might lay out on a particular commodity, a sufficient check against his increasing the price, and lessening the quantity he was ordered to purchase, and thus act to the prejudice of his employer?—Such a person would be an unworthy servant: but the price to be paid for the silk is always confirmed by the board of trade; every transaction is subject to their approval.

1201. Do you know how the board of trade determine the prices to be given for silk?—According to their own judgment, formed upon the general information they obtained from the silk residents.

1202. Do you prepare the commercial letters?—Yes.

1203. What documents will show how many of the commercial officers have in any one year exceeded their instructions, in having given higher prices, or

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or made larger purchases than they were directed?—I am not aware that higher prices have been given than sanctioned by the board of trade; the silk is inspected at the export warehouse at Calcutta, and commission would be withheld if it were not of proper quality.

1204. Will it appear from any correspondence, or is there any account kept, of the officers who have either given higher prices, or have made larger purchases than they were directed, and in what degree they have exceeded their instructions?—I am not aware of more than one instance in which the having provided goods in excess of quantity has been the subject of particular investigation; this was the instance of a resident who in 1813–14 provided a large surplus quantity of silk, and of inferior quality.

1205. Is the number of officers considerable, who in any year have gone beyond their instructions?—I can only recollect the above instance of excess in quantity. In 1826–27 the resident who provided cotton was accused of paying undue prices, and an investigation took place; the resident died before its conclusion, and his memory was absolved from all imputation of intentional error; but his native officers were convicted of fraud, and the head person was sentenced to five years imprisonment.

1206. Do you remember whether such occurrences have frequently been made matter of observation in your department?—I only remember the above instances.

1207. What is the highest emolument which any one of the commercial residents has received in the course of a year?—The highest, I think, did not exceed 7,000*l.* a year.

1208. At what place did that happen?—That was at Etaya and Calpee, a cotton factory; and the emoluments of the resident at Cossimbazar have been considerable; but I am not able to state more particularly without reference to the records.

1209. Do you know the amount Mr. Bayley, the commercial resident at Benares, was in the annual receipt of?—He was opium agent, and also commercial resident.

1210. Do you know the amount of the annual allowance he received?—No; it arose chiefly in the opium department.

1211. Do you know that it amounted to 6,000*l.* a year?—I am unable to speak exactly on that point; but I believe it did amount to that sum, or more.

1212. Is this a greater amount than any of the highest political or civil officers were in the receipt of?—I apprehend it is as high, except the residents at the native courts.

1213. Are the accounts of the commercial residents closely scrutinized in your department?—Not in my department.

1214. So that the buying department at the India-House does not exercise any very rigid scrutiny into the accounts of the commercial department in India?—The orders sent by the Court are presumed to be obeyed, and it is the duty of the board of trade to see that they are so. My duty does not extend to the examination of the accounts.

1215. Are all the letters in the commercial finance department regularly answered?—The commercial finance is not in my department.

1216. In whose department is it?—In the committee of correspondence.

1217. You prepare the commercial despatches, do you not?—Yes, generally.

1218. Are the orders which you send out in the commercial despatches regularly replied to by the board of trade in India?—By the Governor-general.

1219. If the board of trade sends inquiries, and asks for orders from home, in what department are they answered?—The board of trade do not correspond with the Court; they correspond with the Governor-general, who communicates with the Court.

1220. What office at home is it that audits the accounts of the commercial agents, and of the board of trade in India?—The audit of the commercial accounts, in the proper sense of the word, is conducted in India by the officer called commercial accountant and auditor: the examination of the books of accounts in this country is of the nature of a revisal, similar to that which is passed upon the territorial accounts.

1221. There is in fact, then, no rigid examiner at home of the commercial accounts of the Company's agents abroad?—No further than what I have now stated.

1222. Then in ascertaining the prime cost of the silk purchased at any particular factory, you merely look to that charge in the general account?—Yes; but the

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the invoices of the respective ships which bring the silk show the cost of it, certified by the board of trade.

1223. Are not all particular occurrences in the silk or other commercial departments reported by the board of trade to the Governor-general in Council, and by them to the Court of Directors?—Any points deemed of sufficient importance would be so reported.

1224. Any abuse, or any departure from the general course of proceeding?—Yes, certainly.

1225. Does any board ever exercise that rigid scrutiny into the accounts of the commercial departments in India, which you think a private merchant would do if he employed private agents to transact his business in India?—The board of trade are the functionaries to conclude and put a fiat on the commercial transactions, and, as I before stated, are in constant correspondence with the residents at the factories, and if absolutely required, a member proceeds to give his personal supervision at a factory.

1226. Can you state what are the constituent parts of the prime cost of a bale of silk?—I believe it will appear in the Statement, in p. 658, of the House of Commons Papers, printed 11th October 1831.

1227. How much goes to the cultivator, and how much for management?—The Company's Bengal raw silk is provided by advances of cash made from the factory to a class of native agents called pykars, who in their turn make advances to the cultivators of mulberry and the rearers of silkworms; each of the Company's factories employs numerous pykars, who give security for the money advanced to them; the pykars deliver the cocoons into the storehouses of the factories, where they are reeled into silk by native workmen, hired and paid by the factory. A settlement is made with the pykars for each bund respectively, but it does not take place until all the cocoons of the bund have been wound into silk, and when that is completed the resident proposes such price to be paid to the pykar as he judges reasonable, having given due consideration to the productiveness or otherwise of the season, and all circumstances attending the provision of silk: this price is reported to the board of trade for their approval. This course supposes that each commercial resident fixes the price for his own particular factory, without reference to what may be paid by the other residents for silk of the same bunds; but in 1827 the board of trade divided the silk districts into circles, and resolved that one rate of price only should be allowed at all the factories in each circle. But in March 1831, the board of trade re-considered the system for providing raw silk, and came to a resolution to discontinue the practice of settling with the pykars after the silk was wound off, and resolved to fix and promulgate the price which the Company would pay before the bund commenced; the result of this measure cannot yet be known in England. The Court have no certain information of the prices the pykars pay to the rearers of silkworms. The above is the general system. In some instances the residents obtain cocoons directly from the rearers, without the intervention of the pykar; and occasionally buy silk under contracts.

1228. There is a price paid for a certain quantity?—The price is calculated upon the quantity of silk which the cocoons produce; and depends upon the favourableness or otherwise of the bund.

1229. Are the books of correspondence of the board of trade in India regularly sent home to the Court for examination?—The proceedings of the board of trade are sent home for the Court's information.

1230. Where does the correspondence between the board of trade and the commercial agents appear?—It is recorded on the proceedings of the board of trade, who hold their meetings two or three days in each week.

1231. All the correspondence carried on under the immediate direction of the board of trade appears there?—Yes.

1232. Do you mean that the particulars respecting all the details in India are sent home to the Court?—Yes.

1233. Who reads them when they come home?—It is the business of the officers and clerks in the several departments to make themselves acquainted with them.

1234. Do you suppose that they are all read by any one?—Yes.

1235. Can you give the produce in any given year at each factory?—Yes.

1236. Do you not believe that the business of dyeing long ells in London would have been done much cheaper if a contract had been made for the whole with any

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large house willing to undertake it, instead of dividing it into six-and-thirty different portions?—If it had been performed by contract with one or two houses, there can be no doubt it would have been done cheaper.

1237. How much per cent. cheaper do you apprehend it might have been done? —That is matter of opinion; I cannot pretend to give any opinion upon that point.

1238. Why was not such an altered system of dyeing adopted by the Company if you think it would have been cheaper?—I am not able to say.

1239. What do you believe to have been the reason?—The former system, which had been long in practice, went on year after year, and it was not so apparent that a saving could be made; the dyers always said that it could not, and they complained that they were not paid sufficiently; all the principal woollen dye-houses in London were employed by the Company.

1240. Are they now dyed in London, or in the West of England, or Yorkshire?—The long ells are still dyed in London; the broad cloth is dyed in the country, being bought in a finished state.

1241. Why in London?—Because no dyer has offered to dye the long ells in the country.

1242. Have any means been taken by public advertisement or otherwise to ascertain whether there were not persons in the country who would contract for dyeing them?—No.

1243. No attempt has been made by public advertisement to obtain tenders?—No; I have intimated to the factors myself that the Company would have no objection to purchase the long ells as they do the broad cloths, but they have considered that it was not practicable, because there are not dyers in the West of England who would undertake it.

1244. Are not the long ells sent up undyed to London?—Yes.

1245. Do you not believe that if tenders were invited for dyeing the whole quantity, there would be numerous offers to undertake it?—The manufacturers seem so completely separated from the dyers, that I do not apprehend there would. I am certain there is no objection on the part of the Company to buy the long ells in like manner as the broad cloths.

1246. In what manner is the order for dyeing now given?—A printed circular is sent to the London dyers, to say that the Company are desirous of receiving tenders for dyeing so many thousand long ells, in such and such times, and the order is given to the lowest tender, under security.

1247. Would it not be a better plan to contract for long ells ready dyed?—I beg to refer to my former answer.

1248. It is only to the London dyers that those circulars are now sent?—Just so.

1249. Have any houses been willing to contract for the whole, or is it still divided among several?—One house took the whole one year; the whole number for the year is not put out at once; fifty or sixty thousand, and then fifty or sixty thousand more.

1250. Is it customary for you to send to all the dyers whose names are known in London, or only to those who formerly dyed for the Company?—To every dyer in London.

1251. In what manner do you ascertain which of the houses are likely to tender? —We know their names.

1252. You probably cannot recollect what number of dyers you are in the habit of sending circulars to?—I do not remember the number, nor is it very great, but it is to every one who is likely to attend to them, and has any means of dyeing the goods; the circular is made as general and as public as it can possibly be; it is printed, and anybody may have it.

1253. You stated the other day that the export of long ells had considerably diminished?—It has been reduced, but not within the last 18 or 20 years.

1254. Is it the intention of the Company to discontinue it altogether, in consequence of its continuing to be a losing trade?—Long ells have now become a profitable trade, owing to the great fall in the price of wool.

1255. When did the change from loss to profit take place?—A change from loss to profit took place in the China season of 1829–30, and in 1830–31; there had occasionally been a profit before, but it was greatly overborne by the loss.

1256. Have the Company received any intimation from China that they are undersold in that market by the competition of other traders?—Not in long ells.

1257. About

1257. Have they received such information respecting any other articles of British manufacture?—I am not aware that the Company are undersold in any article; but they cannot compete with the private traders in camlets, which are smuggled into Canton.

1258. Where are the Camlets made?—At Norwich.

1259. Do you mean to say that the long ells are not prohibited, and that camlets are?—The camlets are not prohibited; nothing is prohibited in China except opium; but the duty on camlets is so great that they are smuggled in. The duty in China is equal to the cost price in England.

1260. How is it that the Americans do not purchase long ells in this country, and smuggle them?—Because there is no inducement to do so, the duties on long ells are more moderate.

1261. The Americans have not been purchasers of long ells in this market?—Not to any extent; they were not profitable.

1262. But they are purchasers of camlets in it?—Yes.

1263. Camlets are made in Yorkshire as well as in Norwich, are they not?—Yes, they are.

1264. Has the Company ever purchased camlets in Yorkshire?—Yes, the Company purchase their camlets by a circular letter, which is sent to the Yorkshire manufacturers as well as to Norwich, and it has occasionally happened that a Yorkshire house has had an order, but only occasionally; they are not so expert at that kind of manufacture in Yorkshire as they are at Norwich.

1265. Are you aware that the Americans are in the habit of purchasing camlets to a considerable extent in Yorkshire?—I do not know where they purchase them.

1266. You think that the advantage which the Americans have over the Company in camlets is solely occasioned by their smuggling them into China?—Perhaps I have no right to say that it is so, because I cannot prove it; but it is very notorious that it is the case.

1267. Broad cloths have been a profitable article of export?—Yes.

1268. Do you purchase broad cloths in Yorkshire as well as in the West of England?—Yes, largely.

1269. Do you invite tenders by circulars in the same way as in camlets?—Yes, by printed circular letters.

1270. Do you send them to all the persons whose names you know, or only to those who apply to you for them?—To everybody who we think will pay the postage of the letters.

1271. Have not the Americans been in the habit of purchasing broad cloths in this market?—All which are rejected by the Company are purchased by the agents for the Americans; this is quite an admitted system.

1272. Do you mean that the Americans only purchase goods that have been rejected by the Company?—No, they have some made also; and I understand they are having some made now rather of a better kind than the Company's.

1273. Have the Company been in the habit of exporting other goods to China, cotton goods for example?—Yes.

1274. To any considerable extent?—Yes, British calicoes, but only of late years, and cotton twist. I was directed to prepare an account of the twist, which I have done.

[*The same was delivered in, and read, as follows:*]

13th March 1832.

PROFIT and LOSS upon COTTON TWIST Exported to *China* by the East India Company.

London, Season 1827–28.

			£.	s.	d.
31,500 lbs. Water Twist - -	Nos. 8 to 40.				
58,500 lbs. Mule Twist - -	Nos. 40 to 140.				
90,000 lbs. Twist - -	Cost and Charges - - - - -		11,752	5	4
	Sold in China at 34 dollars per pecul - - -		5,508	–	–
	Loss - - -	£.	6,254	5	4

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London, Season 1828–29.

300,000 lbs. Water Twist, No. 20 - - Cost and Charges -	£.	17,628	8	11
Sold in China at 35 dollars per pecul - -		18,900	–	–
Profit - - -	£.	1,271	11	1

London, Season 1829–30.

300,000 lbs. Water Twist, Nos. 16 to 24 - - Cost and Charges -	£.	17,912	7	3
Sold in China at 36 dollars per pecul - -		19,440	–	–
Profit - - -	£.	1,527	12	9

London, Season 1830–31.

240,000 lbs. Mule Twist - - Nos. 32 to 100.
240,000 lbs. Water Twist - - Nos. 24 to 40.

480,000 lbs. Twist - - Cost and Charges - - - - £. 38,323 12 3

Sale in China not yet known.

London, Season 1831–32.

120,000 lbs. Mule Twist - - Nos. 32 to 100.
120,000 lbs. Water Twist - - Nos. 24 to 40.

240,000 lbs. Twist provided for exportation.

1275. The Company continue to import from India silk bandannas?—Yes.

1276. Has their import of that article decreased much lately?—It has rather increased, but not materially; they come at a remittance of about 1 *s.* 11 *d.* the rupee.

1277. Has not it been a losing trade?—I think the remittance is 1 *s.* 11 *d.*

1278. Who makes the communication to ascertain what trade is profitable, and what is not?—That relates to my department.

1279. Do you add interest to the money employed?—Interest is not added.

1280. Do the private traders bring bandannas as well as the Company?—The quantity of bandannas brought in private trade considerably exceeds the imports by the Company.

Veneris, 16° *die Martii*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

John Horsley Palmer, Esq., called in; and Examined.

J. Horsley Palmer, Esq.

16 March 1832.

1281. MR. PALMER, you are Governor of the Bank of England, and partner in the East India House of Palmers, Mackillop and Company?—Yes.

1282. Will you be so good as to state whether, in your opinion, it is necessary for the East India Company to carry on trade in order to make their financial remittances to this country?—I should think the financial remittances to this country might be made with perfect facility, without the necessary consequence of the Company carrying on trade to the extent to which I understand it to exist.

1283. Do you consider that there would be a facility of remittance from India or through China to the amount of three millions and a half sterling, and if so, will you have the goodness to state the mode in which you think that might be done?—I should think that three millions and a half sterling might be remitted without difficulty

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difficulty from China and India together; and the mode in which I would submit that should be done would be with reference to bullion and the general exports. The trade itself will furnish a value of three millions and a half, sterling as at present existing; and provided bills of exchange secured upon that trade were tendered to the Company at the bullion price, I see no reason why those goods should not be deposited in the possession of the Company until the bills were paid. The invoice value of the goods upon which I found that opinion are three millions and a half, or nearly so, from Bengal, and two millions from China.

1284. What, in your opinion, would be the average exchange at which such remittances could be effected in that matter?—I think they ought to be effected at the bullion price, which would be from 1*s.* 11½*d.* to 2*s.* per sicca rupee.

1285. Do you not also think it necessary to make allowance for the interest in the interval between the money being advanced in one country and the repayment being made in the other?—Distinctly not. All exchange operations in bills have reference to the actual produce of the remittance in bullion in the country to which those remittances are sent.

1286. Can you state any conclusions which you may have formed with respect to the value of the Sycee silver as compared with the sicca rupee, and of the rupee in sterling?—It so happens that we have very lately, within the last six weeks, received a remittance from Bengal in both those species of bullion, one was Sycee silver, and the other was the Bengal sicca rupee; and if the Committee will allow me, I will state precisely the out-turn of those two remittances. The Sycee silver is found to have, upon an average, about 12 grains of gold in a pound of silver, troy-weight. The Sycee silver was sold in this market at 4*s.* 11*d.* seven-eighths per ounce British standard, including eight grains of gold.

1287. What do you mean by including eight grains of gold?—Because the buyers take no cognizance of any quantity not exceeding eight grains.

1288. Then no additional value is given to it unless it has more than eight grains?—No; all above eight grains is paid for in the additional value of the silver, and therefore the silver was virtually sold, containing the 12 grains, at 5*s.* 0½*d.* per ounce.

1289. It contained 12 grains?—Twelve grains.

1290. Now, can you state its fineness?—No, I cannot; I do not know whether the Sycee silver is better or worse.

1291. Do you say that it was sold for 5*s.* 0½*d.* per ounce?—Yes, per ounce standard; reduced to standard; that Sycee silver, containing 12 grains of gold per pound, sold at 5*s.* 0½*d.* per ounce standard silver, gave an exchange of 1*s.* 11*d.* five-eighths per sicca rupee, calculated against a bill at six months' sight.

1292. Will you explain those words, "calculated against a bill at six months' sight;" was interest taken off the proceeds for the period of six months, at five per cent.?—I think it was five per cent.

1293. So that that makes it equivalent to a bullion remittance?—Yes.

1294. Upon the general run of remittances from India, comparing bullion with bills, and supposing bills to come to you at six months' sight, what per-centage should you think fair to charge for the average risk upon bad bills on a merchant?—I should prefer a bill at the same rate, and would give no premium for bullion. Every person who takes a bill of exchange believes it to be good; and if he does not believe it to be as good as bullion he will not take it. If I have the opportunity of taking a bill at the same rate of exchange which bullion would give, I would take the bill of exchange in preference to a remittance in bullion, from the security of the payment of the bill by the triplicate copies.

1295. Have not you the same security as to the certainty of specie remittances by the practice of either insuring in London, or of making insurances in Bengal payable in London?—You have, certainly; but still there is always a certain degree of risk in the recovery of a policy; independent of the security of the person who has to pay, there are always legal questions to which the holder of a policy is liable, which would induce me to give the preference to a bill.

1296. What should you consider to be the charge per sicca rupee for the expense in bringing the bullion from India to London?—There are various charges.

1297. Can you state the rate of insurance now?—I think two per cent., and the freight a half per cent.

1298. Then 1*s.* 11*d.* and five-eighths per rupee, you state to be the net return, after the expense of bringing the bullion to England has been deducted?—Yes.

 1299. In

1299. In that you have taken the weight of the Sycee silver, containing the same weight of fine silver as if it had been a sicca rupee?—It is always turned into British standard.

1300. That is, you mean, supposing a sicca rupee and not Sycee silver to have been sent from India, it would have realized to you 1*s.* 11*d.* and five-eighths?—Not a sicca rupee; I am speaking merely of Sycee silver.

1301. But then you ought to tell us, with a rupee how much silver you bought in India, otherwise it gives us no criterion?—The Sycee silver cost in Calcutta 96 sicca rupees per 100 sicca weight.

1302. Are you able also to state what is the degree of fineness of the Sycee silver?—The Sycee silver was about eight pennyweights better than English standard.

1303. Are you aware that Sycee varies as to its intrinsic fineness very much in China, and that some buy it in China of a much finer and a much coarser quality?—No; upon my inquiry of the bullion brokers in London, I could not find that to be the case.

1304. What was the date of this transaction?—I think it is about six weeks ago.

1305. You have stated the quantity of gold that was in this Sycee silver; can you state what is the general quantity of gold in the Mexican dollar?—I cannot, but I think not more than four grains.

1306. So that the quantity of gold in the Sycee silver is evidently greater than in the Spanish dollar?—Certainly.

1307. Therefore the Sycee silver in China cannot be the Spanish dollar melted down in that country and exported?—Certainly not.

1308. Should you conclude from that, that it must be the silver of the country itself, of the mines of Asia?—Yes.

1309. What is the smallest quantity of gold which you understand it is worth the refiner's while to extract from silver under the improved process with sulphuric acid?—I think it is five grains; I believe four grains pays the expense, and it may be worth the refiner's while to buy it and refine it for that quantity; but it would not be worth the while of other people to do it under six or seven grains. I have stated that the Sycee silver gave at the price stated 1*s.* 11*d.* and five-eighths per sicca rupee; the sicca rupee at the same time, sent as coin from Calcutta, was sold at the same price of 4*s.* 11*d.* and seven-eighths per ounce British standard, and gave an exchange equal to 1*s.* 11¼*d.* per sicca rupee.

1310. Was the rupee of full weight?—Fair average weight.

1311. Coined at the Company's mint?—Yes.

1312. Melted down when it was sold, and brought to the same standard, of course?—Yes.

1313. What quantity of gold was there in the sicca rupee do you suppose?—Nothing worth extracting; I think it was about four grains.

1314. Talking of the par of exchange of a sicca rupee, you are of course aware it must depend in London on the market price of silver?—Yes; that which was sold six weeks ago at 4*s.* 11*d.* and seven-eighths per ounce, would not now sell for more than somewhere about 4*s.* 11*d.* and one-eighth; but that is under the circumstance of an unusual high exchange with Paris.

1315. Which at present exists?—Yes.

1316. Then it has fallen within six weeks?—Yes, the market price of silver.

1317. Have you any reason to expect in future a larger import of silver bullion from India than heretofore?—I should say certainly, in the present state of the exchange in India, particularly in Calcutta.

1318. Are there any peculiar circumstances that are likely to lead to an extension of the import of bullion into this country from India, that have come to your knowledge?—No, otherwise than by the reference to manufactured goods sent out, which have been remitted within the last 10 or 12 months at from 1*s.* 10¼*d.* to a halfpenny per sicca rupee by bills at six months' sight, the consequence of which has been, that orders have been transmitted from England to remit rupees or other silver bullion from India to England, which it is proved will give 1*s.* 11¼*d.* per rupee, and upwards.

1319. Has there been any order sent also to China to the same effect, to your knowledge?—I believe that the remittance from China will be so small for proceeds of manufactures sent from this country, that it will hardly attract notice.

1320. Are there any silver mines worked in the Indian peninsula?—Not that I am aware of; I do not know.

1321. You

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1321. You conclude, that the sicca rupee is coined of Spanish American silver?—I do not know; I cannot answer that question; that information must be derived from the Calcutta mint.

1322. If you employ a refiner to extract the gold on the account of the owner of the silver, what per-centage does he charge for making the separation?—There is a great deal of discussion going forward upon that question at the present moment, and therefore I cannot answer the question correctly. I think the quantity used to be about five grains.

1323. But they deducted the value of five grains?—Upon reference, I find that the refiners took three-fifths of eight grains, and gave the proprietor of the silver two-fifths, and all above eight grains; that was the proportion; but there is, as I have already said, a negociation now in progress which may alter that proportion.

1324. Do you know that there has been heretofore any prejudice existing in the trade against the remittance of bullion to this country?—Certainly on the part of the Indian merchants.

1325. Do you consider that is still the case?—Yes, I consider an attempt has been made by the Indian merchants to retain the bullion in India, which it is quite impossible for them to do.

1326. Under what idea do you consider they have been anxious so to retain it?—From the scarcity of money that would ensue from the exportation of the metal.

1327. Does not the same prejudice obtain in all parts of the world among merchants, that the exportation of bullion from the country, and more especially of the coin of the country, has an immediate tendency to diminish the quantity of money in the market, and thereby to affect the prices of commodities, and produce what is called commercial distress?—Certainly; the knowledge that that will be the result is beyond dispute. But the question in India has been of a different character; there has been (perhaps the word prejudice was not a proper word to use) an idea in the minds of the native merchants, that they could by their own act retain the bullion in the country, and regulate the remittance by arbitrarily fixing their own rate of exchange.

1328. Although you entertain no doubt that any effort unnaturally to retain the bullion would be ineffectual, you do not entertain a doubt that the exportation of the bullion, and more especially of the current coin, has the effect of producing an immediate scarcity of money?—Distinctly so.

1329. Do you conceive that if the gold coin of this country could be introduced generally in India, that that measure would have a tendency to facilitate the operations of trade in any way?—No; I do not see in what way commerce would be promoted by our coin; it is quite immaterial what the coin is when the fineness is once known.

1330. You are aware that there are various descriptions of currency in India?—Still they all have their respective values.

1331. Do you consider that answer equally applicable to the gold as to the silver?—I apprehend that gold neither does nor will circulate to any extent as current coin in India, where silver forms the actual currency, and is a legal tender.

1332. Might not the effect of introducing, if it were possible, a gold currency in India, have an effect to raise the market value of gold all over the world, by introducing a large and extensive new application of it?—It might have the effect; but I should be directly opposed to an opinion of the propriety of introducing gold into India as the current coin of the realm.

1333. Are you not of opinion that between two countries like England and India, having very extensive and intimate commercial intercourse, that as far as that intercourse is concerned, there would be an advantage in having the legal standard in the same metal?—Certainly; and I think it would be much more beneficial for the world at large, that the same metal should universally prevail as the legal tender.

1334. Should you apprehend that any material inconvenience would necessarily arise to the circulation and currency of this country, supposing it at any time to become necessary to effect any considerable operation here in Indian finance, such for example as the transfer of any portion of Indian debt to this country, or the raising of a loan for the service of India?—Not if it is done with due regard to the existing circumstances at the time. The expenditure of India in this country is stated to be about three millions a year; therefore so far as regards those three millions, there would be no difficulty in raising a loan to that extent, paying off the

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the Indian debt to the same amount by the revenue of India. An arrangement of that kind would, I conceive, be the least objectionable mode of transferring any portion of Indian debt to this country.

1335. But such an operation would not at all affect the difficulty, if difficulty there be, in the means of India to remit the three millions, or whatever sum India may have to remit to Europe, excepting in as far as the interest of the debt, by being borrowed in England, may be at a lower rate than the debt in India?—Certainly; there is no other advantage.

1336. Besides the two methods that you have mentioned of making remittances from India to England, namely, those of sending bullion, or of making advances in India upon the security of cargoes shipped by private merchants; would there not be a third, namely, that of the India Company drawing bills in England upon its Indian treasuries, and disposing of those bills in England to merchants?—The answer to the question of the Company drawing bills on India, would depend a good deal upon the state of their own imports from India and China to this country; if they are not importers themselves of produce, then I apprehend that a certain portion, and perhaps a considerable portion, might be obtained by their own bills on the treasuries of India.

1337. Supposing the India Company to give up trading both with India and with China, would not such a mode of remittance afford great accommodation to the private merchant carrying on those trades?—To a certain extent, I think it would; especially so far as may relate to the European and foreign capital embarked in the Indian and China trade.

1338. Would it not interfere with the exports from this country?—No.

1339. If you take bills payable in India or China, will there be as much exported from this country as there would be without that?—I think so, upon this ground, that the export trade to India and China does not seem to admit of much increase so long as we are receiving from India and China the sum required for the territorial purposes, which is brought in trade; if the Company are not the traders, other persons will, for their own profit, bring that supply which the demand requires.

1340. But is it not your opinion that India would bear a much larger export from this country than now takes place, if returns could be found for that which is sent from this country?—I do not know what articles of export from this country India could take more than are now sent.

1341. Is at present any considerable portion of the exchange business between England and India carried on by drafts in London?—I believe not to any considerable extent.

1342. Is it not in the nature of a trade with a distant country for the exchange operations to originate in the distant country, and not in London?—To a considerable extent.

1343. And more especially when the operations are mostly for the account of that distant country?—Yes.

1344. Are you aware that, in nearly all our commercial transactions with distant countries, with India, with America, and even with Russia, the exchange operations almost wholly originate in those countries, and that bills are seldom drawn from England upon them?—I think that it must be known to those persons engaged largely in trade, that very extensive credits have been taken from London prior to the parties leaving Europe for distant markets, which answer nearly the same purpose as taking bills from England.

1345. Is not that mode rather the means of carrying on the other operations of drawing from the distant country itself?—The Company are supposed to abandon trade, and still to have a large fund to bring from India to England; now, the consequence of the measures originating in India, and the parties not taking any quantities of money or bills from hence, would be throwing an excessive amount of bills into the market of India, which might so raise the exchange as to force bullion from this market for the purpose of meeting those bills in the event of their not being readily taken out of the market for the Company's remittances to Europe.

1346. Do you not think that if the Company were to abandon their trade with India and China, and that they were to be constantly offering bills drawn on their Indian treasuries for sale in this country, that that would probably give rise to houses established for the very purpose of negociating such bills, and negociating such bills with a view to facilitate the mercantile transactions of other houses?—I can only reply by stating, that I still believe a considerable portion of bills

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could be negociated in this country in that state of the trade which has been supposed.

1347. Supposing there be any alteration made by which the trade should be transferred from the hands of the Company to individuals, the amount of trade being the same, there must always be the same means of remittance into whosoever hands it may fall?—Certainly.

1348. Although the means of remittance might be the same, should you not apprehend, if the Company were entirely debarred from trading either to India or China, and were left to rely upon remittances by bills from India, or drafts from England on India, the effect of the narrowness of the Indian market and the few houses transacting the business, together with the power they would have from the smallness of their number of combination, and the knowledge of the extent of the wants of the Company, and in many instances of the precise period when those wants occur, would lay the Company too much at the mercy of the combination in their operations?—My original answer was not intended to be confined to the Indian trade, but it was given under the presumption that the Company be debarred from all trade. The imports from China as well as India, about five millions and a half sterling, furnishing the means for making the Company's remittances, I do not apprehend any effect from combination, presuming the Company will at all times order bullion to be transmitted, if bills are not procurable at the bullion rate.

1349. Do you not suppose that the number of houses, which are now few at Calcutta, would be considerably augmented if the Company were to cease to export from India?—I entertain considerable doubt whether any great increase would take place.

1350. How many houses are there in Calcutta whose bills the Company might be reasonably supposed to take?—I do not believe that the Company will take the bills of any one house in Calcutta without very good security being attached to it.

1351. Is it your opinion, as a merchant connected with India, that the Company could with safety, year after year, take so large a sum as they would require of the houses established in Calcutta without collateral security?—I think they ought not to do it.

1352. If in your opinion it would be necessary in many cases to take collateral security, would it not in fairness, and to prevent reflections upon individual credit, become necessary to make it a general rule that in all cases there should be security?—Certainly.

1353. Could you state how many respectable houses there are in Calcutta?—I cannot answer that question; there have been several respectable houses established since the renewal of the charter.

1354. Do you apprehend that there would be any difficulty in the Company taking security with the bills they might take from these houses?—I apprehend not.

1355. Now, if the advances made by the Company upon bills drawn upon England were secured upon the bills of lading of the cargoes, and the Company were allowed to charge the insurance upon the cargoes, and to insure, would it be necessary that the Company should be very nice in its selection of the houses to which it made advances?—I think it is necessary that all mercantile transactions should be with houses of credit.

1356. But would not the circumstance of the bills being secured by the bills of lading on the cargoes make it much less necessary for the Company to be extremely nice in its selection?—I still think it would be necessary that the Company should act with houses of credit, otherwise they would have imposed upon them the duty of examining more nicely than might be convenient the quality of the goods that were so shipped, and the correctness of the invoice cost.

1357. Supposing the Company not to advance to the full amount of the value of the article shipped, but to the amount only of two-thirds, would not that lessen the necessity of any rigid examination of the nature of the cargo?—The best answer I can give is with reference to our own individual case as merchants advancing money upon goods shipped from this country: it is the credit of the party with whom we act which guides us in our proceedings, and obviates the necessity of that examination as to the quality and price that would attach to a house of an inferior kind.

1358. You have stated that bills from India are available for the purpose of the territorial remittances by means of a security given on bills of lading; do you con-

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ceive that bills from China may be made equally available by means of any similar provision?—Certainly.

1359. Have you considered at all how you could effect that security?—I believe the Company have adopted that system in a limited degree from India.

1360. Have you considered how the territorial government of India could avail itself of bills from China with equal security as upon the bills of lading from India?—That would depend a good deal on the nature of the Company's agency in China. If the Company abandon all connection with China and have no servants in Canton, of course there could be no persons to transact their business; but if they retain any part of their agency in China, either for the purpose of remittances or other occasions, then those parties would have the same power of attending to the securities as they have in the different parts of India.

1361. Supposing the commercial character of the Company to cease, do you conceive that the territorial government of India could establish an efficient agency at Canton for the purpose of effecting the remittances through those bills?—I have not given that subject any consideration; but I apprehend there would be no difficulty in making such an arrangement; the extent of the funds realized in China from India produce being very considerable, and which are necessarily to be returned to the different presidencies of India.

1362. And the returns to India are now made to a considerable amount in bullion, are they not?—There is a considerable amount of bullion sent. I have only seen the last two or three years; but a considerable amount of bullion has been sent from China to Bengal and Bombay.

1363. Is not the balance of trade between India and China considerably in favour of India?—Certainly, so far as it is exhibited by the remittance of bullion.

1364. Would not the necessity you mentioned of the Company's attending to the quality of goods which they should take as security, particularly in China, make it necessary for them to look almost as carefully at those goods, and to have nearly the same establishment for the purpose as if they were making purchases on their own account?—I think not, provided the house with which they were dealing were equally respectable with those with whom they would have the power of acting in different parts of India.

1365. Is it in your opinion probable that houses would establish themselves in a place like Canton of sufficient respectability?—I think so.

1366. When these goods arrive in England, supposing them to arrive to the extent and value to make them efficient for the purpose of the Company's remittances, would it not oblige the Company to keep a large establishment of warehouses of some description, and a large establishment for the transaction of business to receive those goods until the bills were either paid, or security for the payment given?—I should think not; I think the Company should retain possession of those goods in the bonded warehouses of London and the outports, and they should never part with them until the bills be paid: but they should afford to the proprietors in the intermediate time every reasonable facility for the sale of the property.

1367. Taking all the circumstances into consideration, is the Committee to understand that it is your opinion that no material difficulty would arise to the Company's getting home, without trading itself, the means of making their payments in Europe?—Distinctly so; I beg to say that that answer is simply as regards the remittances, it is no opinion as to the policy of the Company abandoning any part of their present China trade.

1368. Do you consider that the necessity of realizing in England a large amount for the use of the territory has been a great impediment to the growth of a profitable export trade from this country to India?—I do not believe that it has had any such effect.

1369. When this country is required to make a large expenditure upon the Continent, a more than ordinary expenditure on the Continent, has that any tendency to increase the export trade of this country?—If we export a large amount of the precious metals from hence so as to affect materially the prices of this country, and reduce them below the prices of other countries, it is probable that an export of commodities will take place to bring back the precious metals that have been so exported.

1370. And from the cause that you have stated, is not the effect of making a large continental expenditure generally this; to occasion a large increase at the time of the export of commodities?—A large export of commodities may follow from

from the course I have mentioned, but I am not prepared to answer the question, and say, that such export has been profitable to this country; it may have been so, but I do not feel able to answer the question decidedly.

1371. But has not that reduction of prices of which you spoke, consequent upon a great foreign expenditure, been materially to increase the export to the Continent of our commodities?—I should imagine it may have increased the export of commodities, but it probably diminished the imports at the same time.

1372. If therefore there was occasion, in case of war in India, for a large extra expenditure, should you not apprehend, that from the very cause that you have stated as applicable to this country, it would lead to an eventual large increase of the export of commodities from India to this country?—Does the question mean that we are furnishing the pecuniary means from England of carrying on this large Indian expenditure. If I understand the question, it is this: whether, in the event of a large pecuniary supply being required from England for the purpose of carrying on a war in India, that would not force a large export of commodities from England.

1373. No, the reverse; whether it would not occasion a large export of commodities from India to England, placing England in the situation of the Continent, and placing India in the situation of this country. The question is, in case of a war requiring a large advance to be made on account of the territory of India in this country, whether that would not occasion a large export of commodities from India to England?—I do not consider the immediate export of commodities from India to be a necessary consequence of the case supposed. If bullion were likely to afford a more favourable remittance than goods, in payment of the supplies required from England, then bullion would be sent. It is probable that the effect of such a transmission of bullion would subsequently increase the exports and diminish the imports of India, from the fall in general prices likely to ensue in that country, and thereby cause a return of bullion to the extent previously exported.

1374. Supposing it was desirable upon general principles, upon the renewal of the Company's charter, to put an end to the Company's trade both with India and China, might it not be useful to leave them the occasional power of making a remittance by goods, not for the purpose of traffic, but for the purpose of occasionally securing their independence in the markets from which they might have to make those remittances?—I see no objection to the power being left, but I imagine that the Company would never use it if they were debarred from trade generally.

1375. What effect has the exercise of that power often had on the price of the commodities in which they made their investment, as upon indigo?—I think it has not been beneficial.

1376. Has it not had the effect of occasioning the most enormous fluctuations in prices of the commodity, when it was known that the Company were in the market?—I think it is always prejudicial in a great body like the Company acting occasionally upon the market in India, by orders transmitted from this country.

1377. Did this country during war find it necessary to make consignments of merchandize for the purpose of meeting its foreign expenditure?—No, I believe not. I certainly do not think it desirable that the Company should continue purchasers of indigo and other principal articles in India, upon the system which has hitherto been pursued, which has had the effect of raising prices considerably, and thus stimulating an extra production, which, from an unfavourable out-turn attendant upon the sales in this country, has been subsequently checked, the extra quantity so produced thereby occasioning a glut in the market of India, and consequently an undue depreciation.

1378. And if the general rule were, that they were to abstain from making investments of merchandize, would not the effect of their suddenly breaking through that rule have a much worse effect in occasioning a great fluctuation of price than if it was their constant practice to be making investments in any article such as indigo?—I am not prepared to say there may not be occasions when the Company might, beneficially to the public, become purchasers, though I think, generally speaking, that their purchases in India have not been of that character.

1379. Is a practice to be justified, if you can show that in particular instances it might have been productive of benefit; is not the best mode of determining the policy of any practice, to look at the general result after a series of years?—I think it is.

1380. You have stated that the exports from India and China amount to five millions and a half?—I believe them to be about that amount.

1381. Do

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1381. Do you remember what the exports from this country to India and China may be?—My information is taken from the year 1828–29; I think in the year 1828–29 they were near three millions sterling to India.

1382. And to China?—And including China, to about 3,700,000 *l.* or 3,800,000 *l.*

1383. And that leaves what?—That leaves about 2,000,000 *l.*; but then you must keep in view that the private merchant acts extensively with the foreigner, and thereby he relieves himself by the foreign trade for that which he would give to the Company as a remittance.

1384. Then if your exports from England were to increase considerably beyond your exports from India to this country, it would throw a difficulty in the way of remittance, would it not?—Except in bullion.

1385. You say that you expect a large exportation of bullion from India to take place?—Yes.

1386. Has India any natural means, except by its trade, of gaining bullion?—No, not that I am aware of.

1387. Then suppose that there is a great demand for bullion upon India, either unexpectedly or quicker than it can supply the deficiency, what will be the effect on the people of India under those circumstances?—Considerable pecuniary distress.

1388. Would not that pecuniary distress at last amount to an impossibility of further remittance?—No; I believe that it would have the effect of lowering the prices of commodities in India; both those sent from England and those produced in India, until an influx of bullion restored the prices to their former level.

1389. Suppose that the people of India at this moment are taxed to the greatest extent they can bear, and that bullion is exported from India to a large extent, so that all commodities are lowered in price, and they are still obliged to pay in the original sum, will not that have a very severe effect upon the community in general?—It would have a corresponding effect to that which would be produced in this country under similar circumstances.

1390. Will not every thing that facilitates the export of articles the produce of India to China or other countries, be the best mode of relieving them from the danger of such an emergency?—Certainly.

1391. Will not facilitating the export trade of opium to China, and in return for such opium the obtaining large returns of bullion, be one of the most effectual means of preventing India from suffering in the manner presumed by the former question?—China can afford no more to part with her bullion to any unreasonable extent than India; bullion is the regulator of every description of trade throughout the world, and it will regulate the Indian trade, though in the course of that regulation the parties carrying on the commerce of India may occasionally sustain considerable inconvenience.

1392. If bullion is demanded from India as a regular mode of making the remittances to this country, in what manner can India obtain that bullion but by exchanging her produce for the precious metal?—I hold it to be quite impossible that any country ever did or ever can permanently export its bullion.

1393. Do you mean by that answer to deny that a country can permanently continue to export bullion, even in the cases where that country regularly exports either its produce or manufactures in order to purchase bullion?—I mean simply that it cannot continue to export more bullion than it receives.

1394. If China obtains a considerable quantity of bullion, either by means of its mines, or in return for the tea that it exports, and if India sends a large quantity of opium, for which it receives in return a large quantity of bullion from China, may not India continue to export to this country a large supply of bullion?—Certainly; because there is no excess or deficiency on either side.

1395. And will not, therefore, every thing that gives facility to India for obtaining bullion in exchange for opium, or any other of its produce, tend to facilitate the territorial remittance which India has constantly to make to this country?—Every thing that tends to facilitate and promote the trade of India must be beneficial to India, and enable that country more readily to meet all its engagements.

1396. Are you aware to what extent the trade in opium has been increased since the year 1826 between India and China?—I really have not attended for the last four or five years to the details of trade with India, but I believe that the trade in opium has been very considerably increased.

1397. Are there not some articles of consumption of which the quantity consumed may not always be dependant on the question of price?—Certainly.

1398. May

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1398. May not opium be an article of that description?—Probably it is; the importation into China being prohibited, it is smuggled into that country to a very great extent.

1399. Now spices are articles of that description, are they not: you do not suppose that persons would use spices in any proportion to the diminution that might take place in their value?—I think certain spices would increase very much in point of consumption by reduction of the prices; pepper is an article which would be likely to increase considerably in consumption.

1400. Now for instance, pepper being now at 3 *d.* a pound, do you suppose if it were reduced from 3 *d.* to 2 *d.* it would materially increase the consumption?—It is 3 *d.* without duty; it is the duty that prohibits the use of pepper. If it could be sold for home consumption at 3 *d.* or 2 *d.* a pound, I apprehend a large increased consumption would take place in this country.

1401. Are you aware that the Dutch Company formerly, upon that principle, used to burn their spices, from a conviction that an increase of quantity would produce them no benefit?—That was the notion, certainly.

1402. May not opium, from the nature of the article, and of the impediments put in the way of its sale by the Chinese government, be an article of which the consumption might not increase in proportion to the diminution of price?—The trade of Canton is so peculiar from the character of the government, that there is no article carried to that port which might not be materially impeded in point of consumption.

1403. Are you not aware that opium is an article which becomes so necessary for those who consume it, that when once they begin it they cannot leave it off?—I believe that to be the case.

1404. Without knowing the particular details of the opium trade, are you not aware that since 1826 there has been a very great increase in the consumption of opium, at the same time that the price has fallen?—I do not know that the price has fallen; I believe there has been a great increase in the export from India.

1405. In a country like India, where the people have fixed money payments to make, would not the distress arising from the constant export of bullion take place, before the remedy which you allude to might reinstate the equilibrium of the precious metals?—I think India would sustain a very considerable degree of inconvenience, from their supply being a distant one.

1406. That therefore, taking into consideration the general condition of India, any system which should constantly expose it to an exportation of bullion, must occasion considerable permanent distress in the country?—A constant exportation of bullion I believe cannot take place from any country; the moment the pressure is felt, that moment the commencement of the remedy arises.

1407. The question and answer presumes that there will be a distress arising from the constant exportation of bullion; in that answer, you mean that distress would arise if bullion were exported to such an extent as to diminish the quantity required for the currency of the country, but you do not apprehend that distress would arise if there were constant imports beyond the quantity required for the currency, and a constant export of that same excess?—No.

1408. But does not the distress consequent upon the diminution of the currency precede the remedy?—Certainly.

1409. And therefore must be felt before the remedy can come in play?—Clearly so.

1410. Are you aware when there has been a considerable exportation, that the price of bullion has risen in India when the demand has been considerable?—The demand I rather think has been temporary, and during that temporary demand the price has probably advanced. I am not prepared to speak to the present price without reference.

1411. Would not all difficulties thrown in the way of the export trade of opium, very materially tend to prevent the acquiring by India of any surplus quantity of bullion for the exportation?—If you destroy the export trade from India to the place from whence it receives its bullion, so far you injure the power of India to supply bullion to that part of the world where it is required.

1412. And to that extent you would inflict an injury upon the natives of India?—Certainly, always adverting to a surplus export of bullion.

1413. But does not an export of bullion consequent upon a political payment, differ very much in its effect upon a country from any export arising from a commercial payment, in as far as the commercial payment is apt to cease with the difficulty,

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difficulty, but the political payment is one which must be made without reference to the means of the country making it?—I do not draw the distinction, because a payment made politically in bullion, has the same effect upon the currency of the country as if made commercially, and if continued will so contract the currency of that country as to affect the whole of its prices.

1414. But does not that suppose that that country has some production which other countries must take?—There is hardly a country in the world the productions of which will not find a market at a certain value. If a country is supposed to have no productions, then there is an end of the power of payment. Bullion can only be taken as the medium; the payment must be made by the industry of the country; and I can draw no distinction between the payment such as the Committee alludes to, namely, a political payment by India, or a payment for foreign war by England. If our expenditure on the continent of Europe be thirty millions or fifty millions in the year, it is quite impossible to furnish that in bullion, and therefore by the same reasoning, I maintain it is quite impossible for any other country to continue to furnish politically any payment of bullion that the produce of that country will not re-supply.

1415. Applying the case to a very poor country like Norway, and supposing Norway to have a political payment to make of two millions and a half, would any effort that those people could make, raise anything which the world would take in fulfilment of such a payment?—If Norway has nothing to offer in payment of those continued remittances, there is an end to the existence of Norway as a nation: if she has no productions, the money is tantamount to production as long as it exists; when that is gone, there is an end of her power to pay.

1416. Then would follow an absolute inability to make the payment?—Yes.

1417. Is there not therefore an end to the principle, that there must be the means of making any payment for which there is an obligation, but that it must depend at last upon the ability of the country to produce those means?—No country can pay without the means of paying.

1418. Your theory then is that it is not finite?—My opinion is more practical than theoretical; theoretically, the Committee are right in the mode in which they put the question; but practically speaking, I doubt whether every country which has the power or the credit to incur a debt such as the Committee allude to as being required to be paid, has not within itself the means of payment from its own industry.

1419. In what respect does the tribute which India pays differ from the remittances which Ireland has to make to the resident absentees in this country?—I do not imagine there is any material difference.

1420. And the greater the tribute any country has to pay, whether it be a political payment, or whether it be rents, the greater the necessity, is it not, for giving to that country every facility for disposing of its produce for the purpose of making good such payment?—Certainly.

1421. If this country were to prevent the export of the cattle or the butter to this country from Ireland, would there not be the greatest difficulty to the Irish of making good their payments?—I suppose so.

1422. Upon the same principle, every thing that tends to prevent India from disposing of her opium, must tend to prevent her making good the political payment to this country?—Every thing that tends to check the trade in the productions of India, is certainly prejudicial with reference to its engagements.

1423. The exports from India and China to England being five millions and a half, and the returns from England to India and China three and a half, it would appear that that leaves a surplus of two millions only for territorial remittance to England; but in considering the whole territorial power of remittance, must you not take into account the balance of the trade between Calcutta and Canton?—The power of remittance is intimately connected with the whole trade between foreign countries and India; the balance of the trade with China, so far furnishes the means of remittance in bullion. There are three millions and a half of exports from England to the different presidencies of India, and China; and the returns from thence to England are about five millions and a half, to which is to be added the balance of the foreign trade with India, as part of the means for furnishing the remittance which the Company require.

1424. But then beyond it, do you not conceive that the return in bullion from China to India would be available as a territorial remittance to England?—It facilitates the operation of the whole trade.

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1425. And must you not take it into account in considering the balance of remittances?—It is taken into account. The trade between India and China is merely one of an internal character (if I may use the expression); the bullion brought back from China, if it be brought back to India, facilitates the remittance of bullion from Bengal to Europe or to England; that is merely part of the general trade of India.

1426. Supposing the private trader to be admitted to a participation with the Company in the China trade, are you aware of any peculiar disadvantages to which the private trader might remain subject, arising out of the system upon which the Company's trade is carried on?—If the question refers to any supposed inconvenience which the private trader would sustain in the port of Canton connected with the Company, I am not prepared to say he would sustain any inconvenience; but if I were to give an answer upon a more enlarged character, it would be that he is under great delusion as to the real advantage to be derived upon opening the trade with the port of Canton, particularly so far as regards the export trade from England in manufactures, and from other parts of Europe in articles of general produce for sale in Canton, for the purpose of purchasing the return cargo. I am disposed to think that he will not find that beneficial market which he contemplates for European articles; and as regards the article of tea constituting his return cargo, he will sustain this further inconvenience: the East India Company, under the regulations of the existing charter, are called upon to hold a very large stock (I believe a year's) in advance. Now, the consequence of that system will be, that after having sustained the natural effects of competition in the purchase at Canton (on advanced prime-cost), he will be met in this market by the Company's stock, which must necessarily be brought into the market for sale, when no longer required by law to retain it in the warehouses. Therefore, while the private trader is bringing by competition an article of a high cost from China, he will be met in this market by a double quantity, and consequently a low price of sale.

1427. The difficulty you have mentioned would apply only to the first few years of the opening of the trade?—Only to the first two or three years.

1428. Would it not also apply to the importation from the continent of Europe when tea is at a remarkably low price, even under what it cost in China?—All the import, whether it be from the Continent or from China, or from the Company's warehouses, will meet in this country to the prejudice, while it lasts, of the private trader.

1429. What is your opinion with regard to the increased consumption in this country, supposing that the price of tea were to fall to a very great extent?—I believe you might increase the consumption to almost any extent.

1430. What is the reason that it is decreasing in America, where the price is very low?—Perhaps they like coffee better. I only refer to this country where the consumption is so universal among the lower orders, and I believe (though I speak subject to correction) that our importation is principally of the lower quality of tea. Seeing the manner in which the common people in this country consume tea, and the price they pay for it, there appears no reason to suppose that, if they could obtain double or treble the quantity at the same price, they would not take it.

1431. Now, suppose that some of the tea imported by individual merchants should prove to be of very inferior quality, so that the people of this country became disgusted with it, is it then your opinion that they would continue to drink tea, and that the consumption would increase?—I think that question would principally apply to the higher class of persons, and which relates, I believe, to the smallest part of the consumption.

1432. Are you aware that on the continent of Europe, for a considerable number of years past, the consumption of tea has been gradually decreasing, and that the whole imports of tea to the continent of Europe, by sea, does not exceed eight millions of pounds annually?—I am not aware of the actual quantity consumed on the continent of Europe. I have always understood the beverage of the continent of Europe has been principally coffee, and therefore they have taken tea more as a substitute for coffee than from any particular partiality to the commodity.

1433. You are not aware that the quantity of tea that has been consumed on the Continent has been decreasing rather than increasing?—No, I am not aware of that circumstance, but I can very easily understand it would be so from the extreme cheapness of coffee.

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1434. Are you aware that the price of tea on the Continent is extremely cheap also?—Yes; but still coffee has fallen in that degree that it will enable all persons to double their consumption.

1435. Though in this country the coffee has also fallen to the same extent of cheapness, yet the tea has been, from some circumstances, continuing to increase in its demand?—Coffee has also increased in this country, but the consumption of both tea and coffee has, I imagine, been increased by the low prices at which they are afforded to be sold.

1436. Are you aware that by reducing the duty on coffee to one-fourth, the consumption of coffee has increased twenty fold?—I believe it has increased very largely.

1437. Do you believe any people in the world drink a worse article in the shape of tea than our poor people in most villages in England?—I believe it is very bad indeed.

1438. Supposing that the Company, by any arrangements it could make, were to transfer a portion of its territorial payments from England to India, the necessity of remittance from India to England would remain the same, but as the Company itself would have fewer remittances to make, would not the danger that has been apprehended by some of a combination amongst the merchants to enhance the rate of remittance, be much diminished by so diminishing the payments to be made in England?—I have always considered it to be a matter of surprise that the Company have not long since transferred part of those payments to India; I mean payments to officers on furlough, and retired civil and military servants, &c., which will amount to half a million, if not more.

1439. If there be any danger to be apprehended from a combination on account of the large payments to be made, would not that danger be diminished to the extent of the amount to be transferred?—Certainly.

1440. This would be another mode, then, in which the Company, if it gave over trade, might assist itself in making remittances from India to England, by diminishing the amount to be remitted by itself?—Certainly, it would not only diminish the amount to be remitted, but at the same time would tend to a better regulation of the exchange.

1441. Do you think it likely that a country like India shall be drained to the extent of two or three millions every year for the purpose of political payments to another country in Europe for which it receives no equivalent, without gradually and certainly impoverishing that country?—I think the power of production in India is so great, and the commodities themselves are so valuable, that there is never likely to be any difficulty in making the required payments through the commercial products of the country.

1442. Although that may afford the means of making the remittances, does not the necessity of one country making an habitual and perpetual political payment, for which it is to receive no equivalent, produce the impoverishment of that country?—Not if it is made in the articles of production of that country; I think it is evident that the money levied in the shape of tax upon the population of India, is re-expended in the productions of India for which a demand arises in Europe, and therefore, though the drain to a certain extent does exist, still it is so small as not materially to affect the prosperity of the country.

1443. Does it not amount to this, that it becomes a tribute in kind, and would not France, for instance, if a tribute were imposed upon France, payable in a given quantity of wine and oil every year, for which no equivalent was returned: would not that have the same tendency to the impoverishment of the country upon which that tribute was imposed, in the same manner as if it were paid in money?—Not to the same extent, because the actual expenditure in growing the wine and oil will remain in France.

1444. Supposing therefore the perpetual condition of the relation between India and Europe to be that that country is to make a political annual tribute, does it not bring with it a condition of a perpetual injury to that country to the extent of making it almost impossible for it ultimately to bear it?—No, I think not; I think the pressure is on the individual tax payer; I think he is the person who is prejudiced and damnified by the sum he pays, but the agriculturist who produces the indigo or the silk, is paid for his labour and for the production of those articles, through which the payment of the tribute is made.

1445. But as between country and country he has to give the value for which he receives no compensation?—Therefore that part of the population which pays the tax suffers to the extent of their payment.

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1446. In what respect does that differ from the remittances constantly made from the agricultural part of the country to the residents in great towns for the rents; does it not entirely depend upon the proportion?—Certainly.

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1447. The proportion which such remittance bears to the value of the whole annual produce of the country?—I do not think it has any material effect on the real prosperity of a country.

16 March 1832.

Sabbati, 17° *die Martii*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

Thomas Love Peacock, Esq. called in; and Examined.

1448. WHAT office do you fill?—Senior Assistant Examiner in the East India House.

T. L. Peacock, Esq.

1449. Have you turned your attention particularly to the subject of steam navigation in India, and between India and Europe?—I have.

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1450. Will you state your opinion of the route by the Cape of Good Hope, especially with reference to the voyage of the Enterprise?—I will state what the Enterprise did. She left the land on the 16th of August 1825; reached Calcutta on the 7th of December 1825; that was 113 days (of which she was 103 actually under weigh) from the land to Diamond Harbour. She used both sail and steam. The greatest run by sail in 24 hours was 211 miles; the least, 39: the greatest by steam assisted by sail, 225; the least, 80: the greatest heat in the engine-room during the voyage was 105 degrees, the air at the same time being 84 degrees and a half. The total distance was 13,700 miles; and the consumption 580 chaldrons of coals, being nine chaldrons per day for 64 days; the rest being under sail.

1451. What was the power of the engines?—One hundred and twenty horse power. The speed of the engines in calm weather was eight knots an hour, the log giving nine, from the wash of the paddles. The speed of this voyage was not considered sufficient to warrant the expense and trouble; and it does not appear that any very much better results can be expected, because of the difficulties of getting relays of coals, and the time that must be wasted in getting them. There was, however, a proposal to go by this route in 60 days in a vessel of 1,000 tons, to carry 800 tons of coal, and not make any stop between London and Calcutta; that is the greatest speed that has been proposed.

1452. Can you offer any opinion as to the party who made the proposal?—I forget who it was, but I think it was Mr. Perkins. I should think the accomplishment of the proposal not very probable; the only advantage that it seems to me can be got from steam round the Cape is, to have steam-engines of about 30 horse-power fitted into sailing vessels, to cross the variable winds.

1453. How many steam vessels would be necessary to accomplish the communications with India upon that plan?—I cannot state that with any certainty. I think that route is not advisable by steam. Mr. Waghorn was very confident he could do it in 80 days, and Mr. Perkins, I think, in 60. It would be necessary in the case supposed, of fitting sailing vessels with small engines to cross the variable winds, to have reefing-paddles, fastened with chains instead of bars, which could be folded up flat; that could be done in a few minutes, and has been done in some of the American vessels.

1454. Will you state your opinion of the route from Bombay to the Red Sea and Alexandria?—The great objection to that route is the enormous expense of it. The coals burnt in the Red Sea cost about 7*l.* a ton. Every vessel that is employed will cost 25,000*l.* a year, at the very lowest calculation; and four are required on each side of the isthmus.

1455. Do you suppose the coal in that case to be sent from England?—I have calculated almost every manner in which it can be sent. Sent from Alexandria to Suez, or from England direct to the Red Sea, or from Bombay to the Red Sea, it comes to very nearly the same.

1456. Do you take into the account the supply of coals from New South Wales, which is now abundant?—No, I do not.

1457. Can you get any supply of coals from the Persian Gulf?—No, I should think not.

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1458. Do you not consider that the steam-boats would be of great use in the navigation of the Red Sea?—They are almost the only vessels that can navigate the Red Sea with any certainty, in any reasonable time; they are the only vessels that can keep the middle of the sea, and the sides are full of coral reefs.

1459. Will you state what, in your opinion, could be done to facilitate the transit of goods and passengers over the isthmus of Suez to Cairo, and from Cairo to Alexandria?—It will be as well, first, to state what has been done by the Hugh Lindsay steam-boat. She has made three voyages from Bombay to the Red Sea. The first, in March and April 1830, occupied 33 days to Suez; 20 days working, and 13 at anchor; the distance being 3,000 miles by the nearest admeasurement, and increased by going out of her way for coals: the return was 37 days; 20 days working, and 17 at anchor. The second voyage was to Cosire, not to Suez, from the 5th to the 27th of December 1830; the actual distance she went over was 2,830 miles in 17 days, and five days detained at anchor, getting in coals principally. The third was from Bombay, in January this year, but we have not the day; that was to Suez: we know that she arrived there on the 4th of February, but we do not know what day she left Bombay; I believe it was in the first week in January. She is not considered one of the best possible boats for the purpose, being rather a heavy sailer, and carrying only five days' coal; she has 120 horse-power. With respect to the transit of the isthmus, it is 70 miles from Suez to Cairo, which is usually performed on camels; from Cairo to Alexandria by land, 140 miles by the nearest route; 250 miles by the river, and round by Rosetta. There is a canal, but it is not in general use at present; it is not in good order; it is not available for steam vessels. From Cosire to Suez by sea is about 300 miles; from Ghenna to Cairo, which is the parallel part of the Nile, is about 450. The land journey from Cosire to Ghenna is 120 miles. The north wind blows down the Gulf of Suez 10 months out of the 12, all the months except December and January, which makes it advisable rather to go by Cosire. At the mouth of the Red Sea the winds blow from the south-east from October to June, and from the north-west chiefly in the other months; at Socotra, from October to May the winds are east, and from May to October, west. The port that was most used by the Romans was Berenice; this is 200 miles from the Nile; but it is said to be still the best port in the Red Sea, though it is not used; it is entirely deserted. That route would give the advantage of reaching the Nile above Thebes, which would be an attraction to passengers.

1460. Is there any town at Berenice?—No; there are some ruins. When the French were in Egypt, they surveyed the old canal from Suez to the Nile, and they calculated the expense of re-constructing it; they thought it would be better, in consequence of the great shallowness of the Mediterranean north of Suez, to re-construct the canal from Suez to the Nile, to deepen the bed of the river, and to re-construct the canals of Cairo and Alexandria. They estimated that the whole of the expense would be in English money 1,200,000*l.*

1461. Will you state what you know as to the practicability of re-opening the canal directly across from Suez to the Mediterranean?—The French survey gave the level of the Red Sea at high water, 30½ feet above the Mediterranean; the low water, 25 feet above the Mediterranean.

1462. That would not require above four or five locks?—Four locks, perhaps.

1463. What is the nature of the soil?—It is almost all sand. The sand does not drive on that side of Egypt as it does on the side of the Libyan Desert, as I am informed.

1464. Is not the bed of the old canal remaining?—A great deal of it. There are in one place 25 miles of continuous water, called the Basin of the Bitter Lakes.

1465. Can you state the whole distance across the isthmus in the direction of the old canal?—One hundred miles, I think, as nearly as possible, from Suez to Pelusium.

1466. Have you seen any estimate of the expense of completing the old canal?—I do not recollect any separate calculation of it; but I suppose, in proportion to the expense I have stated, about 700,000*l.*

1467. Are you aware what was the reason of the French preferring the direction of Suez and the Nile to the bed of the old canal?—Yes; because the Mediterranean is so shallow near the coast; but they thought at the same time that they might keep up a perpetual stream from the Red Sea to scour a channel. This canal, which existed in the time of the Ptolemies, had of course no locks, as the use of them

was

was not then known: it was available only when the water of the Nile was as high as that of the Red Sea.

1468. You collect that from the natural features of the country?—Yes; not from any specific historical information.

1469. The Nile rises at Cairo 17 feet?—The French survey gave 25 feet. When it passes to the mouth, it must almost have acquired the level of the Mediterranean.

1470. How did it happen that the rush of water through the canal did not keep it clear?—The communication from the Red Sea was in fact with the Pelusiac branch of the Nile, which is now closed. The level of the High Nile at Cairo, as given by the French engineers, is higher than the Red Sea: taking the Red Sea at zero, the High Nile at Cairo is 10 feet above it, and the Low Nile 15 feet below it, and the Mediterranean 30½.

1471. Are there any steam-boats on the Nile?—I believe not.

1472. Would the navigation be favourable to the use of them?—Only for part of the year; from August to March, most probably.

1473. Are you aware that one portion of that course has now been completed, by opening from Alexandria to the Nile the communication intended in that survey?—I know there is a canal from Alexandria to the Nile; but two years ago we asked some questions, and were informed that it was not at all available for steam-boats.

1474. Will you state what has been done by way of the Persian Gulf and the Euphrates?—Nothing has been done; that is all matter of speculation at present.

1475. What is your opinion as to what might be done in that direction?—From Bombay to Bussorah is 1,600 miles; from Bussorah to Beles on the Euphrates is between 900 and 1,000, and to Bir is 100 more.

1476. Is the river navigable?—It was in ancient times, and it has been found navigable by all who have ever visited it in modern times: it has not been recently much used for navigation from Bir to Hillah; it was very much used by travellers from Europe in the 16th century. From Hillah to Bussorah it is still used.

1477. To what point do you say that the river is navigable by boats, and of what size?—It is navigated now by vessels drawing six feet water, almost all the year round, from Bussorah to Hillah. The upper part of the river, above Hillah, is said to have more water and deeper banks.

1478. Is that navigated?—It has been navigated in former times very greatly.

1479. Is it now filled up?—No; it is only the distracted state of the country that prevents its being navigated now. The general depth of it is 10 feet wherever it has been examined, except in two places; those two places have about four feet water in a dry season, except in an extraordinarily dry summer. These are Thapsacus, and, if I remember rightly, Alalis.

1480. What is the line with the Mediterranean which you propose to communicate with Bir?—From Beles to Latichea by Aleppo, which is the best route and I believe the best port, is 160 miles, and from Bir to Scanderoon, over the mountains, is 120; that route has fine scenery, but I believe it is a troublesome road. It has been recently said that Beirhoot is the best port; but that would involve a journey across the Desert, by Damascus and Palmyra, to Hillah. The distance would be considerable from the Mediterranean to the Euphrates, but I have not computed it. This opinion in favour of Beirhoot I met with only very recently. The reason that recommends Beirhoot as the Mediterranean port is, that there are coal-mines there.

1481. Is there any supply of coal on the route from Bussorah?—There is no coal, but a great deal of very available fuel. There is a great deal of wood on the Euphrates, and of bitumen, which is produced principally at Hitt; the two together make an excellent fuel, which is much used for furnaces. The bitumen is continually boiling up on the surface of springs, and is gathered in great quantities: they use it, mixed with camels' dung as well as with wood, in that part of the country, as fuel.

1482. What is the distance from Aleppo to Bussorah, by land?—It is stated at 718 miles.

1483. What would be the difference in time between the two routes?—I can give no opinion upon that. That the shortest way in time would be to go from the nearest point of the Mediterranean to the Euphrates, and then descend the river, is an opinion which has been strongly expressed in general terms by travellers in Syria.

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1484. The Euphrates was the ancient route from the Mediterranean to Babylon?—Yes. Herodotus says, those who go to Babylon from Greece, go from the Mediterranean to the nearest point of the Euphrates, and descend the Euphrates to Babylon.

1485. What is the nearest point?—The nearest point is probably Bir.

1486. What was the freight of boats in the time of Herodotus?—He says 5,000 talents in weight; that the boats which came from Armenia, bringing their produce to Babylon, brought 5,000 talents in weight, which was about the freight of the largest Thames barges, 128 tons.

1487. Do you remember what was the strength of the expeditions of Trajan and Julian?—They brought very numerous vessels down the river with all the munitions of war for very large armies; they constructed the vessels of the wood which they found in Armenia.

1488. Do you conceive the Tigris would form any part of the route which might be established?—No, certainly not; you might go by the Tigris from Bussorah, to Bagdad, and cross to Hillah. The Tigris is navigable from Diarbekir to its junction with the Euphrates.

1489. What is the strength of the stream of the Euphrates?—About three miles an hour. There is another land passage from Beles to Aleppo and Antioch.

1490. What is the distance of that?—It would be a good deal nearer than Latichea; it would be a better place, but the mouth of the Orontes is choked by a bar, which it would require some expense to remove. It would be the best of all routes if the Orontes were made navigable to Antioch.

1491. Do you conceive this route would be at all dangerous from the interference of the Turks and Arabs?—That is the great difficulty.

1492. Do you know any way in which that difficulty can be overcome?—I do not know any means with the Arabs, but by paying black mail to the chiefs; the Turks would most probably co-operate with us. Those who have been in that country are not afraid of the Arabs; they say they are a very peaceable and well conducted people.

1493. Do you conceive there would be any objection to the adoption of this route, arising from the example we should be setting to Russia?—No, I think not; they will find it out for themselves without our showing them the way, if they can get anything by it: they are generally beforehand with us in ascertaining the capabilities of countries.

1494. What do you conceive to be the best Russian routes to India?—The one they think most of at present is the one by the Oxus: they prefer this to the route by Persia, Alexander's route, in which they would suffer by the want of water. They have been surveying the Oxus with great care, and all the country to India. They would go by the Wolga into the Caspian Sea, across the Caspian to the gulf of Mertvoy; then there are 100 miles of land to the sea of Aral; then there is the navigation of the Oxus by Khiva, as far as Balkh: they are establishing a military colony at Khiva, and there is a great deal of navigation now on the Oxus.

1495. Any steam navigation?—No; but I believe they have steam navigation in view: there is a great deal of coal about the sea of Aral.

1496. Have they steam navigation in the Caspian Sea?—I believe they have; I know they have on the Wolga.

1497. Would it be practicable for them to reach India by the route of the Euphrates, without complete naval possession of the Gulf of Persia?—That would depend upon what force we had in the Gulf; they could come down the Euphrates or the Tigris on rafts, which could be put together in great quantities with great rapidity. If we had not a great naval force in the Gulf to meet them at Bussorah, they might establish themselves at Bussorah: of course they would require ships to proceed, but they might establish themselves at Bussorah very easily.

1498. Must they not have previously collected a fleet of ships at Bussorah?—They could not proceed from Bussorah without ships, of course; but they could build ships at Bussorah with timber floated down from Armenia, and we could not easily dislodge them from Bussorah, if they had once established themselves there.

1499. Do you conceive that steam navigation would be practicable and advantageous in the Euphrates?—I think it would be very practicable, and more advantageous than in the Red Sea to this country, because it lies more in the way of all our local interests in the East; I mean, that we should pass through the Persian Gulf instead of the Red Sea.

1500. Upon

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1500. Upon the whole, to which of the three courses to which steam navigation can be rendered available, should you give the preference?—I should give the preference to that by the Euphrates, if it could be rendered safe from the people.

1501. You do not think it can be practicable for the purposes of commerce, but merely for the purposes of communication?—If there is any commerce in Georgia and Armenia, it would open the way to discover it.

1502. You do not conceive that the trade between India and this country could be carried on by that channel?—No.

1503. Do you not conceive that if the canal projected by the French from Suez to Alexandria, or if the other canal from Suez to the Mediterranean, were to be re-opened, the trade between this country and India might be carried on through that channel?—Yes, with a ship canal. I think if it were once in existence, that that would be the best channel of all for steam navigation.

1504. Supposing that canal to be carried into execution, would not that be taking back the European trade with India into the Mediterranean, where it was before the discovery of the passage of the Cape of Good Hope?—It would so.

1505. And necessarily give an advantage to Marseilles and all the French ports of the Mediterranean, and all those parts of Europe, in that trade?—Yes, that is to be feared, certainly; and I believe our Government has never been friendly to that canal; it has always been said to have opposed it.

1506. Would it not be a longer passage in point of time than the ordinary passage from India to England by sea?—I am not prepared to say that; it would most probably shorten the time from England to India.

1507. With respect to passengers, would it not materially facilitate the communication in point of time for individuals going to India?—Yes, certainly, very greatly, by steam navigation; and perhaps by sailing vessels.

1508. Would not the line of communication by the Euphrates, if it became important as a commercial line, be very insecure, inasmuch as the Russians, or any other power, might easily dispossess us of it?—I think if we had it we could keep it.

1509. Why do you think if we had it we could keep it; by what means, in case of any hostile force seeking to interrupt that line of communication?—I have not considered it very attentively; but with the co-operation of the people of the country, which is implied in the supposition of our being there at all, I think we could easily retain a military possession of the upper part of the river.

1510. Though that might enable us to prevent other persons navigating the river, would it enable us to do so?—If we commanded it at Roomkala, which is above Bir, where the banks are rocky and high, I do not think the passage could be forced by anything coming down from Armenia.

1511. Are you not aware that in the Desert there are robbers; there are so many independent bands of robbers, that each boat would be required to carry a guard?—That is what we have to fear; but those who have been in that country say that the danger is exaggerated.

1512. Can you speak to the time which either of those communications would take by the Gulf and the Red Sea?—If we are to judge by experiments, we might get despatches by the Red Sea now in two months, but not in less; that has been done.

1513. When they come by the Red Sea, do they come up to Suez?—Whether by Suez or by Cosire, the despatches are sent on by expeditious messengers.

1514. In order to secure that, must they not sail from Bombay with a favourable wind?—Yes, it is only done in favourable seasons.

1515. That passage can take place only in certain seasons of the year?—No; but on those occasions they have lost a good many days in taking in coal; they have gone in three weeks of actual work, but they have lost one or two more in taking in coal. If matters were well arranged, and with a better steam-boat than the Hugh Lindsay, I think letters might be brought, in favourable seasons, in six weeks from Bombay to London.

1516. Supposing a steam-boat at Alexandria to start at its arrival?—Yes, supposing every thing in the most favourable light.

1517. Have we not a steam-boat now to Alexandria?—I think only to Malta.

1518. What is the mean length of the passage round the Cape to Bombay?—I cannot state.

 1519. What

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1519. What is the shortest time?—Letters have been received in three months. The most expeditious voyage between England and India was, I believe, that of the Company's ship Marquis of Wellington, Captain Alfred Chapman, to Calcutta. She passed the Lizard Point on the 10th of June, and saw Point Palmyra on the 30th of August 1829, being 81 days from Point to Point.

1520. What is the shortest time of a letter ever sent over-land by Bussorah?—I cannot speak to that decidedly, but I do not think letters have been received in less than two months in any way. I can find no evidence of even so short a time by land. Since 1801, the shortest interval between the date of an over-land letter and its receipt is in 1802, when a letter, dated in Bombay, February 22d, was received in London on the 23d of May.

1521. Can you calculate in what time, supposing all things most favourable, letters could be sent by the Euphrates?—I think, making the best possible use of every circumstance, we might get to Bombay in five weeks from an English port.

1522. What course would you take in that case?—I would go across France by land to Marseilles or Trieste; thence by steam to Latichea; thence by land to Beles; thence by steam, down the Euphrates, to Bussorah; thence by steam again to Bombay. I am supposing all circumstances most favourable. This is not so sanguine a calculation as that made by Mr. Elphinstone's government, when they first proposed the navigation of the Red Sea. They calculated it would be done in very little more than a month; they allowed about a fortnight from Bombay to Suez, and about a fortnight from Alexandria to England; altogether, 34 days; 31 days for the sea voyage, and three days from Suez to Alexandria.

1523. You think the route of the Euphrates, if all circumstances were favourable, would be the shortest passage for passengers or letters?—I think, but it is only an opinion, that it would be the shortest in time, as it certainly is in distance.

1524. There would be a danger of interruption?—Yes, that I have mentioned.

1525. In point of expense?—I think, in point of expense, it would be much cheaper than the route by the Red Sea.

1526. Why?—Fuel would be cheaper; and river steam-boats are in all respects cheaper than sea steam-boats.

1527. What do you suppose would be the difference between the return from Bussorah up the Euphrates, as compared with the voyage; would not the return-voyage be very difficult and tedious?—The return-voyage would of course be longer; but I think the average time the Hugh Lindsay has lost in getting coals in the Red Sea would carry a steam vessel from Bussorah to Beles.

1528. Is there at present any regular means of communication by the Euphrates?—A great deal of trade is carried on from Bagdad to Damascus by a line which crosses the Euphrates at Hillah; there is a great deal of trade from Bussorah to Hillah on the Euphrates, and from Bussorah to Bagdad on the Tigris.

1529. Is any part of that trade conducted by Englishmen?—I believe none at all.

1530. Of what articles does it chiefly consist?—That I cannot say.

1531. Do you apprehend that a letter sent from England by the Euphrates would reach this country?—No, not unless sent by a special messenger.

1532. Would not the liability of those countries to the plague form a considerable impediment to the establishment of permanent commercial communications in that direction?—Certainly; but if we had both communications, I believe we might avoid the plague, for it is said to visit the same place only once in seven or eight years; and having the choice of both routes, might take either the one or the other.

1533. Can you state what is the ordinary route by which over-land despatches now come from Bombay?—They come in various routes: they come sometimes by Diarbekir and Constantinople; I believe that is the route which is preferred. I made a memorandum three years ago of all possible routes; I will specify the principal from London to Bombay. By Venice, Constantinople, Aleppo, the Great Desert and Bussorah, 4,804 miles: by Vienna, Constantinople, Diarbekir, Mosul, Bagdad and Bussorah, 5,116 miles: by Venice, Alexandria and Suez, 5,492 miles.

1534. Will you state what are the objects which it has been proposed to accomplish by means of steam navigation in the Ganges?—For the conveyance of public treasure, of commissariat and military stores, of medical stores, of troops, of junior officers, who are generally sent up at the charge of the government; of stamped paper,

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and of small parcels of various descriptions. The Bengal government is now at an expense of about four lacs, or 40,000 *l.* a year in boats on the Ganges alone; and it is supposed that the same objects can be accomplished more expediously, more cheaply and more safely by means of steam-vessels.

1535. Is it considered that steam navigation could be rendered useful on that river for commercial purposes?—Not for the conveyance of anything but packages of moderate size. They do not expect to be able to send bulky merchandize by it, nor to send letters; they do not expect sufficient expedition to supersede the common dawk.

1536. They could send such articles as opium and indigo?—Yes.

1537. Will you state the particulars of the voyage of the Hooghly up the river to Allahabad?—The distance is 800 miles from Calcutta to Allahabad, through the Bhagaruttee River, which was performed in 20 days of 12 hours each day; that was the first voyage. The boat has two engines of 25 horse-power each; she is 105 feet long, 18 wide, 158 tons burden, and 4 feet draught.

1538. What is the ordinary time by other boats?—Some of them have been as many months as she was weeks; she was three weeks.

1539. The ordinary time would be three months?—Yes. She has been four voyages up the Ganges; the first by the River Bhagaruttee, the second and third by the Sunderbunds, the fourth by the River Jellinghee. The Sunderbund passages make the distance to Allahabad about a thousand miles. The government is constructing a canal which makes a very straight route across the Sunderbunds to that part of the Ganges where the Upper Sunderbund passage opens; the canal is from Calcutta to Koolnah.

1540. How many tugs were attached to the vessel?—She had no tugs on her first voyages; she went up as a common steam-boat; but some experiments have been tried with her as a tug at Calcutta. She acted as a tug up the Ganges on her fourth voyage only, when she drew the Governor-General.

1541. Had she not three boats attached to her?—I believe she had. The Company is now having steam-boats built here for the Ganges, which are to be constructed of iron.

1542. How much draught of water?—They are to draw two feet water. There is to be a steam tug-boat and an accommodation-boat, both of the same dimensions, 120 feet by 22 feet wide, flat-bottomed.

1543. Was the Hooghly built at Calcutta?—Yes; and the engines were of course sent out from England. The iron tug-boats are to have two engines of 30 horse-power each, with vibrating cylinders, which diminish the weight of steam-engines one-third. The tug-vessel, with the engines and the coal, will draw two feet water, and the accommodation-boat with 65 tons of cargo, will draw two feet water.

1544. These are principally for passengers?—They are, and for the purposes already mentioned.

1545. Are not these the description of boats which have been found so successful in the navigation of the Rhine?—Of the Seine: they are on the same principle of construction. The steam-boat is to be iron as well as the other.

1546. Have you seen any calculation of weight drawn up the Seine by boats constructed upon this principle?—No; these boats are intended to navigate the Ganges in the dry season; the Hooghly drawing twice as much water as these boats will draw, was not able to navigate the Ganges in the dry season, only in the rainy season.

1547. How far would she be able to navigate the river above Allahabad?—Above Allahabad there is a very great rapid for six miles; that rapid being surmounted, they would have a considerable navigation; I believe these iron vessels could navigate the river to Furruckabad.

1548. Have you formed any opinion to what extent steam navigation can be carried on the Ganges and Jumna?—No, I do not know the extreme height to which they can go.

1549. Suppose occasional interruption from the rapids to be surmounted, would not almost the whole of the river navigation of the Ganges and the Jumna become navigable for steam-boats?—Yes, I should think that the iron steam-boats would surmount any rapid in the Ganges or Jumna. The Hooghly is not a vessel for the purpose.

1550. Are the two boats now constructing in this country intended for the navigation of the Ganges?—Yes, there is to be a trial pair constructed first; they are to answer certain conditions with respect to speed and draught, and to be tried in the

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the Thames when completed, which will be in two or three months; if these answer, four pair are to be sent out to India.

1551. How many will there be then on the Ganges?—The Hooghly and the Bhurhampooter will be withdrawn from the service of the upper part of the river, and be applied to the lower part of the river.

1552. State any estimate you may have formed of the charges, and the probable receipts?—The total charge is estimated at about 40,000 *l.* a year, to accomplish the same objects for which the government now expend about that sum. It is supposed that a capital of 86,000*l.* will be sunk on the first establishment of the steam navigation. Allowing on this sum 20 per cent. for wear and tear and interest, then the whole of the expenses together will be about four lacs, or 40,000*l.* a year. The government expends that sum now upon the navigation of the Ganges for its own purposes, and it is supposed that the public will defray a part of the expense of the steam-boats, by using them for the conveyance of treasure and small parcels.

1553. Is it contemplated that private individuals or private companies will be allowed also to start steam-boats, if they think proper to do so?—Yes, certainly; the Company is only doing it to show an example to private individuals.

1554. It is not calculated the Company shall have a monopoly of steam-boat navigation?—No, they do not wish it; they think it the duty of government to set an example.

1555. The Enterprise, when she arrived in Calcutta, was sold to government?—Yes.

1556. Was it not found of great use in the course of the Burmese war?—Yes, of very great use.

1557. Do you not conceive that steam navigation might be applied with great advantage in the Indus?—I think so, certainly; the Indus is perfectly navigable from the sea for at least 1,000 miles, on all its branches; the Indus itself, and all the five rivers of the Punjab.

1558. Do you conceive it possible to establish a navigable communication between the Sutlege and the Jumna?—I think it possible, but it would be very expensive. It is possible to make a canal, I have no doubt.

1559. What is the distance?—That would depend upon the point to which they are navigable; the waters of the two rivers approach within a degree, but I do not know whether they are navigable so high.

1560. What is the shortest distance between the two nearest navigable points?—That I cannot say.

1561. What is the nature of the intervening country?—In the upper parts it is very hilly, and lower down it is all sand: the canal must be made between the hills and the sand. There are a great many streams which lose themselves in the Desert.

1562. Can you state the highest point to which the Sutlege is navigable?—I cannot.

1563. Does the difficulty of the rapids apply to the Jumna or to the Ganges?—They are on the Ganges, for six miles above the confluence of the Jumna.

1564. How far can you get up the Jumna?—I cannot say; there are a great many rocks in the Jumna, and operations have been carried on to blow them up.

1565. Has any survey been made of the Jumna, from its junction with the Ganges at Allahabad up to Delhi?—I know it has to a great distance, and I think to Delhi; Captain Irvine brought me a very long roll, with all the rocks and places laid down. The whole of that distance, whatever it was, was navigable, and is navigated.

1566. Are you aware whether, at any period, the commerce of the Company extended up the Indus?—No; but I think they had a factory at Tatta many years ago.

1567. Is there any harbour for ships at the mouth of the Indus?—No; it is a bad entrance: it goes into the sea by many mouths, and they are none of them very good. One, which is the most practicable, sends out a long arm of sand into the sea parallel with the line of the river.

1568. Will you state what means there are of obtaining fuel for the steam navigation, either between Europe and India, or in India?—The coal sent to the Red Sea is usually coal which has been imported from England to Bombay. Cutch coal has not been found good for steam-engines. Coal has not been discovered anywhere on that side of India good enough for steam-engines. The Government has proposed

proposed to the Court to send coal direct from Newcastle or Liverpool to Socotra or Mocha.

1569. You are not aware that the New South Wales coal has yet been tried?—No.

1570. Is there no wood?—No; there is no fuel about the Red Sea.

1571. From what part is coal obtained in India?—The Burdwan coal is the best, I believe.

1572. Is not that brought down at a small cost to Calcutta?—The price at Calcutta is 10 annas per bushel, that is ten-sixteenths of 2 *s.*

1573. Why is not the supply from that source adequate to the general demand for the use of steam-vessels?—It would have to be sent round from Calcutta to Bombay. At Bombay they prefer the English coal, and have found it cheaper and more available.

1574. In Calcutta they use none but the Burdwan coal?—I believe not.

1575. Did they ever make the experiment of importing coal into India from New South Wales?—Not that I know of.

1576. Have you ever seen any estimate of the expense which would attend that experiment?—No.

1577. Is there any coal in the vicinity of the Punjab rivers?—I am not aware, but I should think it probable.

1578. You do not know that there is?—No, I do not.

1579. Are there any other peculiar sources of expense attaching to steam navigation in India, which do not attach to steam navigation in other parts?—No, nothing but the fuel There is of course the expense of sending out the engines to India, as they must be made here.

1580. Is there any fuel in the Indus?—Wood, I should think a great deal; there was anciently.

1581. How would the fuel be supplied upon the Euphrates?—If we send coal to Bussorah from Bombay, it might be sent by native vessels going in ballast for horses; these vessels would carry it very cheaply; there would not be the same expense for freight as to the Red Sea.

1582. This would be English coal?—Yes; the principal expense of the Red Sea coal is the freight and the danger of loss.

1583. Is not freight from England to Bombay considerable?—Yes, but not anything like the expense from Bombay to the Red Sea.

1584. Why is the expense from Europe inconsiderable?—It is inconsiderable in proportion to the other. I think I can state what the coal will cost going from London: it will cost 30 *s.* put on board here in the river, per ton; 40 *s.* for freight to Bombay: it would cost 50 *s.* for freight to the Red Sea; it must go in sailing vessels, which must go for the express purpose, and can bring nothing back; a great deal of it would be lost, perhaps one-third or one-half, by sending it in sailing vessels, and its being obliged (as in fact it has been already) to be thrown overboard in rough weather. Then it is deposited at Aden or Mocha, where there is a very great expense both in landing it and getting it back again on board the steamers. Taking all these things together, the whole expense of coal in the Red Sea is about 7 *l.* a ton.

1585. Can you state the probable expense to Bussorah?—I think English coal, sent to Bussorah in the way I mention, would cost about 4 *l.* 10 *s.* per ton; it would be taken in ballast.

1586. Can you state what would be the expense of coal for the navigation at Calcutta?—Ten-sixteenths of 2 *s.* per bushel.

1587. How many bushels go to a ton?—Twenty-seven. The consumption of coal in a steam-boat is a bushel an hour to every ten-horse power, of the very best coals; of course of inferior coals the consumption is greater.

1588. Have they used wood at all from the Sunderbunds?—The Sunderbunds are entirely forest; but coal is always better when it can be procured. It is easily conveyed to the Sunderbund stations.

1589. Is not the steam navigation of the Mississippi entirely effected by means of wood?—Entirely.

1590. Have you attended at all to the effects which have followed from the introduction of steam navigation into the great rivers of America?—I have; it has made the fortune of the western territories.

1591. Do you see any reason why the introduction of steam navigation into the great rivers of India should not be followed with effects as extensively beneficial as

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have resulted from its introduction in America?—I think it would be very extensively beneficial in India, and everywhere where there is good government; that is, where there is government that gives peace through the whole course of the river. It will be worth while to state what is done on the Mississippi in point of time. The steam-boats go up the river from New Orleans to Louisville, 1,430 miles, in 12 days; it has been done on one occasion in eight days and two hours; the fare of the boats is 35 dollars for a cabin passenger, including all expenses, and 10 dollars for a steerage passenger, which is reduced to eight, if he will give his assistance at the wood stations to bring the wood on board. Before there was steam navigation on the Mississippi, the boats of the upper country were usually sold at New Orleans with the cargo, and the crew travelled back by land through the swamps and forests. Sometimes the boat was worked back, and the voyage to Louisville often occupied nine months. On the Hudson river, from New York to Albany, they go up 145 miles in 12 or 13 hours.

1592. Do you recollect the currents?—The current of the Mississippi is four miles an hour, in the strength of the stream, on the average of the year.

1593. What is the strength of the current in the Hudson river?—I do not know.

1594. In speaking of the navigation of the Ganges, you speak of their going 12 hours in each day; are you aware that the steam-boats in the Mississippi and in the Hudson go by night as well as by day?—Yes, they do.

1595. Why do they not in India?—Because the Mississippi is uniformly deep; but the Ganges abounds with shallows.

1596. Are you not aware that the Mississippi is full of what are called snags and sawyers?—Yes; those are trees anchored by their roots in the bed of the stream, but they guard against that danger by what is called a snag chamber, a false bow; if the head of the tree strikes through it, the chamber fills with water, and there is no injury.

1597. You do not think the Indian rivers, from the dangers you state, would be capable of being navigated by night as well as by day?—No, for there could be no dependance on the channel.

1598. Will that remark apply equally to the Indus?—No, I should think the Indus might be navigated by night.

1599. The great use of steam-boats in the Indus would be to carry passengers up the stream, who might have brought down goods upon rafts?—It would be one great use; the same as on the Euphrates in former times.

1600. You think the steam-boat navigation might be extended up the Ganges and the tributary streams as far as good government extends?—Yes, and two feet water.

1601. Upon what other rivers do you conceive the steam navigation might be introduced, besides the Ganges and the Indus and their tributary streams?—The Bhurhampooter; I cannot speak to any other. I have inquired about the Nerbudda and Kistna, but I cannot find any probability of their being navigable.

1602. How far has the Bhurhampooter been tried?—I believe a steam-boat has gone up that river to a certain extent; but it would be practicable as far as the river Dihong, which is supposed to be the main stream of the Bhurhampooter.

1603. Do you mean that it is known to be navigable only so far, or that it may be navigated further?—It is known to have been navigated so far; it may be navigable further.

1604. Have not the steam-boats been found extremely serviceable to government for the purpose of communication along the coast, from one part of the country to another?—They have not used them very much for that purpose yet; they have not derived much service from them except during the Burmese war; they have not derived much service from them as sea-going vessels, but the vessels themselves have not been good for the purpose. The Indian governments have not in their possession a single sea-going good steam-boat but the Hugh Lindsay.

1605. If there were good boats you anticipate great benefit from them?—I do not think that sea steam-boats are of so much importance as river-boats; the Americans do not use them much as sea-boats.

1606. Is there much communication by sailing-boats with the natives from one place to another?—Yes, a great deal.

1607. Might not good sea-going boats be useful for that purpose?—Sea-going boats might be very useful in carrying on communication from Calcutta to Madras. For short coasting voyages by sea, where there are good harbours, steam-boats might be

be useful; but the great use of them would be in rivers. Steam-boats are much used for towing vessels down the Hooghly.

1608. Would not the means which the steam-boats would afford of transporting troops in a given time from the east to the west render it possible to reduce the number of troops in the Western Provinces?—Certainly, I should think they would. With respect to steam-boats for towing vessels to sea, the government employs its own vessels, and hires them to individuals. There are some private steam-vessels. The Court directed the Bengal government not to undersell private persons in their hire; not to bring the government into competition, and injure individuals by making the charge too low.

1609. How many steam-boats are there now at Calcutta, whether belonging to government or belonging to individuals?—I cannot answer as to individuals, but I do not think the government has above six or seven in all; one or two of these are at Bombay.

1610. Are there steam-boats belonging to individuals, as well at Calcutta as Bombay?—There are at Calcutta; I am not aware of any at Bombay: they are principally used for towing vessels to sea.

1611. Can you state any number they do not exceed?—No, I never saw it stated; but the number is not considerable.

1612. Do you know how many days' sail it is from Bombay to Tatta?—No.

1613. With the exception of the probability you have mentioned of wood being to be procured on the Indus, must not, in your opinion, the whole of the steam-boat navigation upon the western side of the peninsula depend entirely upon coal from England?—Yes, unless they can find a better coal than they have found in Cutch; they have found a great deal of coal, but not good.

1614. Do not you consider that that necessity will make it very difficult to extend, in that part of India, steam navigation to any great degree?—Yes, I think so.

1615. Is it quite ascertained that the coal is of such bad quality that it could not be used for steam-engines?—Yes; it contains a great quantity of earth.

1616. To what extent has the coal been worked?—It has been worked some years; they have been trying for some years to discover new qualities of it. From having found a great deal of very bad coal, they have been hoping to find better.

1617. Has any scientific man been employed to search for coal?—One of the Company's officers, who seems very well qualified for it. There has not been much geological survey, except in the Himalaya mountains.

1618. Is there much internal navigation up the Ganges and Jumna, as well as down?—Yes, a great deal.

1619. Are there many instances of boats on the Ganges having been plundered from the banks?—Boats with treasure have been plundered. Treasure is generally sent with a havildar's guard.

1620. Will not a steam-boat afford its own protection?—Yes, it is so expected.

1621. Are you aware that at the present moment there is difficulty in Europeans, traders, proceeding from Calcutta upwards; is it not requisite they should have licenses?—Yes, I believe it is strictly requisite they should have licenses; but I believe they do without them.

1622. Is it not a regulation that no European shall proceed 10 miles from Calcutta, without having a regular leave given him by the government?—Yes, there is such a regulation, but I believe it is not much attended to.

1623. Would it not be better, if a regulation is not acted on, to abolish the regulation?—That is part of a great question; but so long as it exists, even if not acted on, if any serious inconvenience arises from its being infringed, the government has it in its power to remedy the inconvenience.

1624. Does not the dread of any such authority being exercised, and the party having no security, prevent the establishment of steam-boats, or any other permanent establishment, where an outlay of capital would be necessary to carry it into effect?—Probably it may have that effect; but the practical effect of the regulation is mostly to coerce the most disorderly persons.

1625. Do the natives take much interest in the introduction of steam navigation?—I believe they stare at it very much in the upper country; I am not aware that they take any other interest in it.

1626. They have not, in any instance, speculated in that way?—I believe not.

1627. What are the principal articles of trade carried up or down the Ganges?—The principal articles brought down the Ganges are, opium, indigo, grain, dyes, drugs

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drugs, oil seeds, cotton, silk, sugar; all sorts of agricultural produce. The principal articles sent up the Ganges are salt, as far as Benares; metals, wines, muslins, furniture, European goods of all kinds, as far at least as Furruckabad on the Ganges, and Agra on the Jumna.

1628. How do you account for individuals not having established steam-boats for the navigation of the Ganges, when so many years have elapsed since the great utility of the steam navigation of the American rivers has been so well understood? —They have been afraid of the expense, I conceive, for they have been permitted, and, I believe, encouraged to try it; but the government felt it necessary to try the experiment themselves, with a view to setting an example.

1629. Do you believe that the non-establishment of steam-boats by individuals may have arisen at all from any difficulties interposed by government itself, or its officers, to allowing individuals to form such establishments?—No, I do not; I do not think that the Company have prevented it by any of their regulations; I do not believe that steam navigation would have been established on the Ganges at all, unless it had been done by the Company themselves.

William Cabell, Esq., called in; and Examined.

William Cabell, Esq.

1630. WHAT situation do you hold?—I am in the Secret, Political and Foreign Department of the India Board. I have been 32 years in the service; 18 years I served in the Secret and Political Department, under Mr. Jones. In 1818 I was promoted to the head of a department, from which period to 1828 I had charge of the Military Department, and from that time I have been at the head of the Secret and Political Department. It has been my practice, in reading papers, to make notes of circumstances which appear to be of importance, from which I have selected a few passages with regard to the commerce of India.

1631. Has not Dr. Richardson proceeded on a mission to the northern Laos from Moulmeyne, one of the places lately obtained from the Burmese; and what is the result of that mission?—Dr. Richardson received an overture from the Zunmay chiefs in March 1825, another in 1828, and one in December 1829: the letter expressed a readiness and anxiety to receive at his court any British officer Mr. Maingy, the Commissioner of the Tenasserim Provinces, might depute. Dr. Richardson left Moulmeyne on this mission on the 11th of December 1829, and had an interview with the Chief of Lahang, the 21st of January 1830. In regard to the result, Dr. Richardson states as follows: "If a communication could be opened with the Chinese by this route, our trade would be increased to an unknown extent, from the facility with which the traders transport their goods on small horses, asses and mules, 15 or 20 of which one man can take care of." Dr. Richardson has since received an invitation to renew his visit next season; I have not heard that he has actually paid that visit, but the following is described by the Bengal government in March 1831, as the result of the first mission: "Upwards of 1,000 head of cattle have been procured for the use of the European troops at Moulmeyne, and as many more are on their way from the same quarter. It is expected that we shall gradually get into communication with those chiefs."

1632. Are the cattle said to be of a serviceable description?—They appear only to be for food for the European troops.

1633. Have not increased facilities of late been afforded to the trade with Ava through Arracan?—Yes; Major Burney, the resident at the Burmese court, has succeeded in getting the duties on the trade placed upon the same footing as those at Rangoon. Major Burney states, under date 9th October 1830, that "the king has consented to take off three per cent. of the duties now levied, and to issue the strongest injunctions to the local officers to charge no more than 10 per cent., and to avoid giving any trouble or molestation to the Arracan traders." In regard to this trade, Major Burney says, (on the 31st January 1831), "that a very large party of Arracan traders had just arrived, and brought such an extensive supply of piece goods and other merchandize, as to lower the prices in the market ruinously."

1634. Can tea be obtained in any quantity from China through Ava?—Major Burney states that some samples of black tea were brought to Ava from China; and he observed, "Did the Company's exclusive privilege admit of it, I conceive that this tea would form a good article of exportation for the consumption of the poor both in England and in India." Major Burney, under date 26th January 1831, mentions the arrival of a Chinese caravan at Ava, said to consist of 1,000 horses and mules,

mules, and to have been 22 days coming from a place called Thengye, about 25 days journey from Yunan. He adds, in respect to the tea above mentioned, "that the article in use at Ava does not come from China, but from Mogoung, whence I should think it would not be difficult to draw large supplies into Bengal from Mumypore. The position of Thengye, with reference to the head of the Salien, would lead me to believe that it would not be difficult to attract these Chinese traders to Moulmeyne, along the banks of that river." Under date the 3d February 1831, he gives the following additional particulars in regard to the Chinese caravan: "I again visited the Chinese mart at Madé to-day. The number of traders has much increased, and more are still expected; yet those who have arrived appear to have disposed already of their merchandise, and I found them busily engaged in preparing the cotton wool into small parcels, as loads for their mules and ponies. . . . . Among the articles not sold I was surprised to see four or five pieces of green and yellow broad cloth, which had the Honourable Company's stamp attached, and which had evidently been imported at Canton. The head of the caravan told me, that it had cost 2½ ticals a cubit, in the part of China whence they had brought it, but that here they could not get two ticals a cubit for it. I was desirous of obtaining possession of the piece of lead on which the Company's arms were stamped; but the trader objected to its being separated from the piece of cloth, showing the value which the Chinese must have for cloth bearing this stamp."

1635. Is it stated in what province this tea was grown?—I am not aware; but a sample of it was sent home to the Court of Directors by the Bengal government, with a despatch dated 11th February 1831, which was received here on the 9th of August 1831.

1636. Have any regulations been recently made by the Burmese in regard to the trade between Ava and Rangoon?—Major Burney, in December 1830, writes: "I have succeeded in persuading the Burmese ministers to fix a regular scale of duties and choki fees to be levied from traders and boats leaving Ava, and to furnish me with an authentic list of the same;" that is, on the export trade from Ava to Rangoon. The effect of the residence of a British officer at the court of Ava, in respect to trade, is described in the subjoined extract from Major Burney's journal of the 27th January 1831: "M. Lanciago (a foreign European, who holds an appointment under the Burmese at Rangoon) arrived from Rangoon this afternoon, having left that place on the 27th ult. He came with a large fleet of boats, and told me that he had brought up a larger collection of duties from Rangoon for the king and queen, than what had been brought for two years before by the native collectors. He had with him upwards of 25,000 pieces of cloth; and as the king's duty is 10 per cent. in kind, this shows an importation of 250,000 pieces during the three months that M. Lanciago has been at Rangoon. The importation of British goods into this country, and particularly into the capital, have been vastly increased since the residence of a British officer here."

1637. Is there any information in the records of this office with respect to the trade of the Russians with Central Asia?—We have the following information from an authentic source; it is dated 15th February 1830: "With the exception of the few vessels belonging to government, the vessels on the Caspian Sea may be denominated as mere coasting craft. The insignificance of this shipping has lately been animadverted upon by the government, and an attempt has been made to encourage its improvement, by inducing the trade between Nigne Novogorod and Georgia to be conducted over sea by the ports of Astrachan and Bakire; for hitherto the Armenian and Georgian merchants of Tiflis, prejudiced against maritime affairs, have preferred a land-carriage through the passes of Caucasus. The trade stated to pass through Semipolatinsk, is not exclusively conducted with Independent Tartary, a part of it being directed to Cashgar, in the empire of China. No part of the trade with Tartary is carried on beyond the frontiers of Russia by any others than natives of the khavats of Bochara, Khiva, Khokand and Tarkand, all undertakings of the kind having been found by the Russian merchants since many years not only insecure, but likewise involving their personal safety. An attempt was made in 1824, as a trial, to conduct to Bochara a Russian caravan, which was formed under the special protection of the government, and accompanied by an escort of 500 troops, under the command of Colonel Solkossky; the expedition having crossed the desert of Keril Cozeim, was attacked at Boukan by a numerous body of Khivians, and eventually obliged to effect a hasty retreat back to Russia, after having abandoned the whole of the property. The caravans of Bochara, in times of danger, are obliged, instead of proceeding straight to Orenburgh or Troctia, to direct their

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route more to the eastward, in order to avoid the incursions of the Khivians. The Kirglier of the Steppes are the general carriers; and it is to be borne in mind, that the principal circumstances of the trade are connected directly or indirectly with the great annual fair of Nigne Novogorod. The Russians have no establishments whatever either in the Aral Sea or on the eastern coast of the Caspian. The shipping belonging to the Russians in the Caspian Sea, in 1829, was 149 vessels, tons 12,822; other vessels 232, which are mostly fishing craft. In 1824, the shipping was 201 vessels, tons 10,764. In 1825, there arrived 191 vessels, tonnage 9,278; departed 241 vessels, tonnage 11,148. The account from which these numbers are taken specified the whole trade from the Russian ports in the Caspian. In 1826, arrived 150 vessels, departed 160. In 1827, arrived 242 vessels, departed 285. In 1828, arrived 307 vessels, departed 318. The exports from the Russian ports in the Caspian in 1824 were 130,178 *l.*; imports the same year, 170,984 *l.* In 1825, exports, 110,835 *l.*; imports, 162,589 *l.* In 1826, exports, 73,035 *l.*; imports, 170,867 *l.* In 1827, exports, 149,944 *l.*; imports, 183,351 *l.* In 1828, exports, 161,776 *l.*; imports, 234,930 *l.*"

1638. What are the principal articles of those exports or imports?—Grain, flour, salt, sugar, tea, copper, iron, sundry metals, skins, hides, dyes, cotton and silk goods, cotton twist, woollen goods, hardware, earthenware, trunks and canteens, madder, shawls and sashes, dry saltery, fish, furs and Russian cloths.

The following is stated to be the value of the trade of Russia by caravans, with the states of Independent Tartary. In 1824, exports, 151,348 *l.*; imports, 150,915 *l.* In 1825, exports, 180,206 *l.*; imports, 269,234 *l.* In 1826, exports, 165,994 *l.*; imports, 255,870 *l.* In 1827, exports, 242,366 *l.*; imports, 303,822 *l.* In 1828, exports, 273,006 *l.*; imports, 268,947 *l.*; and the principal articles of export and import on the caravan trade, besides those mentioned in the preceding answer, are the following, namely, camels, horses, cattle, fruit, seeds, spices, tobacco, drugs, goats' hair, beads and coral. I have also the names of the custom-house barriers on the Russian frontiers, lying between the Caspian and Semipolatinsk, which are Orenberg, Orak, Herk, Oural, Kamilkol, Gourief, Troitska, Vercho, Ouralzveringolol, Petripavlosk, Presnoger, Nicolayef, Omsk, Ustkamenogur, Kirskef, Bucktarmin and Kizliar. There is also a journal of the arrivals and departures of caravans from and to the states of Independent Tartary during the year 1829, and their description, from which it appears, that there arrived altogether 860 carts, 2,390 camels, and 14 pack-horses, and departed 6 carts and 2,820 camels, besides a caravan, the numbers of which are not stated. The arrivals appear to have generally taken place between the months of January and June, and the departures between July and December. Those caravans do not proceed beyond the Keighiz-steppes, where they carry goods to be bartered against sheep or wool.

Lunæ, 19° *die Martii*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

William Cabell, Esquire, called in; and further Examined.

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1639. HAS any experiment been recently made by the natives of India to introduce goods into Central Asia, and with what success?—Yes; Lieutenant Conolly, who has travelled into India from Persia, through Central Asia, met with a native of India, named Syeed Mohun Shah, who accompanied him in his route to India: this person had carried an investment of broad cloths, chintzes, cambrics, long cloths, satins, &c. from Bombay, *via* Bayla and Cutch, to Candahar and Cabool, where, though he had to pay during his route duties amounting to about 12 per cent., he disposed of his goods, some at 200 per cent. above their price at Bombay. Russian manufactures of the same kind sold at much lower price.

1640. What are the routes by which the produce of India is conveyed into Central Asia?—There appear to be two principal routes by which the produce of India and the manufactures of England are conveyed into Central Asia. One from Shekapoor, on the west bank of the Indus, to Candahar and Heraut, by the road travelled by Lieutenant Conolly; the other from Cabool over the Bamian mountains to Balk and Bokhara. To Shekapoor merchandise is carried by two

routes, one by water from Bombay and the Malabar coast, up the Indus, through Scind to Bukhur (the ancient capital to the Sogdi), distant about 12 miles from Shekapoor. The other from Delhi, *viâ* Hissar, Anvopghur and Buhawulpore, to Bukhur. It appears that the Afghan merchants bring about 600 horses annually to Bombay by water, together with rock-salt, tobacco, assafœtida, opium and Heraut carpets. On their return, these merchants take with them broad cloth, chintzes, cambrics, satins and other European manufactures, together with sugar from the Malabar coast. The high duties levied by the ameers of Scind, have caused the trade to fall off considerably; but the customs of Shekapoor, reduced as they are, produce yearly about 50,000 rupees. On the road from Delhi, *viâ* Buhawulpore, little traffic appears to be carried on at present, owing, Lieutenant Conolly imagines, to the exactions practised by the chiefs of Buhawulpore and Bickaneer, the first of whom is said to levy 13 rupees, and the second 11 rupees upon every camel load from Buhawulpore. Lieutenant Conolly, instead of following the route of Mr. Elphinstone through the Desert, *viâ* Bickaneer and Chooroe, turned off the Bickaneer road at Peerwala, and proceeded direct east, *viâ* Jamgur, Phooluree, Anoohgurh, Holwana and Bunga, to the British frontier near Hissar, a distance of about 178 miles. This road is described as running immediately to the north of the Desert, and dividing the barren from the cultivated country. Large towns were continually passed, grass and water (the latter very deep below the surface) were in abundance, and "many thousands of camels and cows were pastured in the jungles." The whole of this route from the Indus to the British frontier, is described to be in the best order, and entirely free from robbers. Lieutenant Conolly thinks that it is only the heavy duties which prevent merchants from going by this route, and that if the chiefs of Bickaneer and Buhawulpore (who are said to be devoted friends of the British Government) were shown the impolicy of such high levies, they would readily attend to suggestions for opening this channel of commerce.

1641. Is there any opening for the trade in the northern provinces of Persia, by the Black Sea?—Vice-Consul Brant, in a letter dated 20th January 1831, says, "The Persian merchants at Erzeroum are anxious to see European establishments nearer their country than those of Constantinople and Smyrna, but they all asserted that Erzeroum was a point more suited to them than Trebizonde, because the latter lying out of the route to Constantinople, would lead them a long round if they could not suit themselves there to their satisfaction; whereas if they could not do so at Erzeroum, they would proceed on their way without having lost anything. The trade of Erzeroum has suffered much since the Russians evacuated the country, and took with them about 50,000 families from the Turkish territories, chiefly Armenians and artizans. Erzeroum offers a point from whence to communicate readily with Tabreez or Constantinople. With Bagdad, Damascus, and all parts of Syria, the communication is kept up by frequent caravans. The same conveyances afford an easy access to Kars, Van Durbekir, Erzingian, Tocat and Angora, while European merchandise may reach Erzeroum, at a moderate expense, through the port of Trebizonde, and the same channel is the most economical for the exportation of the products of Anatolia and Persia. There always has been an active intercourse with Tiflis; but the late cession of Ahkeska to Russia, connects Erzeroum with Georgia, for the settlement at Ahkeska of all the Armenian emigrants, will render that place an object of equal interest to Tiflis and Erzeroum. There can be little doubt that the establishment of European houses of commerce would draw wealthy and industrious people to Erzeroum. As a step towards the formation of a trade at Erzeroum, a consular establishment there is indispensable; but time only can prove the propriety of making that or Trebizonde the principal residence, because it is difficult to say at present which may ultimately become of most importance. I am convinced that a very extensive consumption of articles of the manufacture of Birmingham may be introduced both for Persia and the interior of Turkey. This branch has heretofore been exclusively in the hands of the German manufacturers; an opening also for the sale of cloth, and perhaps of silk and other articles.

1642. Are there any impediments to the navigation of the Indus?—Captain Pottinger remarks, that the enormous duties levied by the ameers of Scind at the mouth of the Indus, together with the unsettled state of Afghanistan, have rendered the commerce merely nominal. Salt, saltpetre, grain and firewood, are occasionally brought down to Scind in flat-bottomed boats; but upon these articles every petty chief, through whose territories they pass, levies a high duty. In consequence of this state of things, merchants from Bombay are obliged to convey

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their goods into western Hindostan by a tedious land route from Surat and Palee, instead of by the rivers of the Punjab. European stuffs and chintzes are said to be in great demand, both in the Punjab and in Cabool. The Afghan merchants who bring fruit to Delhi, take back European manufactures which have travelled by the circuitous route of Calcutta and the Ganges. The consequence of the closure of the Indus has been, that the Afghans depend chiefly upon Russia for their supplies of broad-cloth, chintz, &c. which are imported from Balk and Bokhara, or from Candahar and Meshd. Lieutenant Burnes, who has navigated the Indus from the sea up to Lahore, states, " there are political obstacles to using the Indus as a channel of commerce; the people and princes are ignorant and barbarous; the former plunder the trader, and the latter overtax the merchant, so that goods are sent by land, and by circuitous routes. The absence of trade arises from no physical obstacles, and is to be chiefly traced to the erroneous policy of the Scind government. There are about 700 boats between the sea and Lahore, and this number suffices for ferrying and all other pusposes." Of the trade of the Indus, he states, " it is such as an evil government might lead one to expect. Excepting the rice produced on its own banks, there are in fact no exports whatsoever, and the merchandize that is brought into the country is landed at Curachie." It does appear remarkable, that the principal port of Scind should be Curachie, when its rulers are in possession of the Indus; but it is easily explained. Curachie is only 14 miles from the Pitter or western mouth of the Indus, and there is less labour in shipping and unshipping goods there, than in carrying them by the river from Daragee or Shahbunder in flat-bottomed boats. Curachie, on the other hand, can throw its imports into the peopled part of Scind without difficulty, by following a frequented and good level road to Tatta. The unshipment too at that port supersedes the necessity of shifting the cargo into flat-bottomed boats; and the actual distance between Curachie and Tatta (about 60 miles) is half exceeded by following the windings of the stream to any of the bunders in that Delta. As the ports in the river and Curachie are both subject to Scind, it is conclusive, that the seaport has advantages over those of the river, which have led to their being forsaken by the navigator. In former years, before Curachie was seized by the Scindians, the exports from the Delta were considerable, but since then all articles of value are brought to Curachie by land, and there shipped. The opium from Malwa is never put into a boat but to cross the Indus on its way to Curachie. Lieutenant Burnes again observes, " With regard to the trade of this country, it may be said there is little or none any where but at Curachie. The Indus is as if it existed not, and the grain is sent by it to the Delta, and advantage is taken of the river to convey goods to Hydrabad; the imports are landed at Curachie, and the most valuable export, which is Malwa opium, is shipped from the same port. The merchants, in prosecuting their journey to Candahar and the upper provinces of the Indus, quit the Scindian territories with all despatch. The only encouragement which the chiefs give to trade is in opium, a drug on which duty is levied to the exorbitant extent of 250 rupees on each camel load; the revenue from this article alone amounted last year to seven lacs of rupees, a sum equal to the land revenue of the Hydrabad ameer."

1643. What are the advantages likely to result, if the navigation of the Indus river were to be opened?—It has been remarked in a memorandum which has been received from India, that the opening of the navigation of the Indus would apparently be beneficial to the Sikhs, Afghans and to the Bokharans, as well as to Great Britain and India; and the successful speculation of Syeed Mohun Shah, the companion of Lieutenant Conolly's journey, gives ground for believing that English manufactures, when brought into competition with the Russian, would in a few years completely drive the latter from the markets not only of Afghanistan, but of all Central Asia.

1644. Is there not a statement of the nature of the trade carried on by Scind contained in one of the despatches of the India Board?—Yes, there is; it is as follows: " The soil of Scind, which is watered by the Indus, is described to be extremely fertile. Cattle, serviceable horses and camels, more celebrated than any in the East, are said to be produced there in abundance. The exports of indigenous produce are represented to consist in saltpetre, cotton, rice and various grains; and a valuable transit trade in shawls, opium and horses, is also carried on." The opium of Malwa is well known to have found its way through the Scindian territory with insurable certainty; and Mr. Baker, in his evidence before the House of Lords, has stated that a trade is maintained between Scind and Malabar. It has sometimes

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times been affirmed that Scind is a country so deficient in resources and security as to be incapable of external commerce; but the above statements, all drawn from competent authorities, abundantly disprove such allegations.

1645. Is there any and what information in regard to the inland navigation of the Indus, its depth of water, the number of boats upon it, and the period occupied in a voyage from the sea to Lahore and back; also in respect to the tides of the Indus?—The following information is obtained from Lieutenant Burnes, who has been up the Indus as far as Lahore: "There is an uninterrupted navigation from the sea to Lahore; the distance by the course of the river amounts to about 1,000 British miles. It is a fact worthy of record, with regard to the river Indus, that those mouths which are least favoured by the fresh water are easiest accessible to large vessels from the sea, for they are more free from sand-banks, which the river waters, when rushing with violence, never fail to raise: thus the Buggarn, which is full of shallows, has a deep and clear stream from Daragee to the sea. The Hooghly branch of the Ganges is, I believe, navigable from a similar cause." With respect to the depth of the water, it is said, "The Indus, when joined by the Punjab rivers, never shallows in the dry season to less than 15 feet, and seldom preserves so great a breadth as half a mile. The Chenab or Acesines has a medial depth of 12 feet, and the Ravee or Hydrastesis about half the size of that river. These are the minima of soundings on the voyage, but the usual depth of the three rivers cannot be rated at less than four, three and two fathoms." With regard to the boats on the Indus, Lieutenant Burnes states, "This extensive inland navigation, open as I have stated it to be, can only be considered traversable to the boats of the country, which are flat-bottomed, and do not draw more than four feet of water when heavily laden; the largest of these carry about 75 tons English. Science and capital might improve the build of these vessels; but in extending our commerce or in setting on foot a flotilla, the present model would ever be found most convenient. Steam-vessels could ply if constructed in this manner, but no vessel with a keel could be safely navigated.

"The traffic on the river, commencing from its very mouth, is carried on in flat-bottomed boats called 'doondees.' These boats are large and unwieldy, they never exceed 100 kurwars (50 tons), and yet they only draw when laden about four feet of water; they have two masts, the large one in front; they hoist their sails behind them to prevent accident, by giving less play to the canvas. The foresail is of a lateen shape, that aft is square and very large. With these set they can stem the current, in a good wind, at the rate of three miles an hour. We came from the sea to Hydrabad in five days. When the wind fails, these boats are dragged, or pushed by spars, against the stream; with ropes they can be pulled a mile and a half in the hour, and they attach these to the masthead to have a better purchase. The helm is shaped like the letter P, and in the larger vessels is managed by ropes from each side; at a distance it seems quite detached from the doondee. These vessels are also furnished with a long supple oar astern, which they work backwards and forwards, the steersman moving with it on an elevated frame; it reminded me of what I believe is called sculling. It is possible to impel the doondee with this oar alone, and nothing else is used in crossing with the different ferry-boats. When coming down with the stream, this oar, too, is again in requisition, and they work it to and fro to keep the broadside of the vessel to the current. In descending the river, the masts are invariably struck, and the helm even is stowed away. I can compare these boats to nothing so correctly as the drawing of the Chinese junks; the largest are about 80 feet long and 18 wide, shaped something like a ship, high astern, and low in front, with the hull slanted off at both ends, so as to present less resistance to the water. They are floating houses, for the people who navigate them take their families, and even their birds and fowls along with them. All the boats on the river, large and small, are of the above description. In navigating the doondee, the boatmen always choose the shallow water to avoid the rapids of the river. At present there are not vessels sufficient for any considerable trade; between the capital and Tatta they do not exceed 50, many of them small and used for fishing, others old and worn out, that cross the stream in certain places as ferry-boats; encouragement would soon remove this.

"From Bukhur the Indus is navigated by a different description of boat from the doondee I have already described; it is called 'zohrug,' and of an oblong square shape, rounded fore and aft, built of the talee tree, and clamped with pieces of iron instead of nails; an operation which is performed with great neatness. The

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zohrug is flat-bottomed and has only one mast; some of them exceed 80 feet in length and 20 in breadth. They pass through the water quicker than the doondee, and are as roomy before as astern. They are not numerous, but we met 95 of them in our voyage to Mittun. I cannot understand by the description of boats which Alexander used for transporting his cavalry, any other than these zohrugs, for Arrian describes them as of a round form, and says they received no injury when the long vessels were wrecked at the junction of the Hydaspes and Aresines. Their peculiar build is doubtless owing to these rapids, which they have to traverse. We made the passage in these boats from Bukhur to Mittun in nine days, a distance of 170 miles by the river. The timber of which the boats of the Punjab are constructed is chiefly floated down by the Hydaspes from the Indian Caucasus, which explains satisfactorily the selection of it as a naval arsenal by Alexander, in preference to the other rivers, by either of which he might have reached the Indus without a retrogade movement. There are but few boats in this river; about 50 are used in the salt trade at Pindee Dadun Khan, some of which carry 500 maunds of salt, and exceed 100 feet in length, being built like the zohrug, rounded at both ends: they do not hoist a sail, and can drop down with the stream from the mines in 12 days to Mooltan, passing in safety the conflux above described.

"The voyage to Lahore from the sea occupied exactly 60 days, but the season was most favourable, as the south-westerly winds had set in, while the stronger inundations of the periodical swell had not commenced. We reached Mooltan on the fortieth day, and the remaining time was expended in navigating the Ravee, which is a most crooked river; the boats sailed from sunrise to sunset, and when the wind was unfavourable, were dragged by ropes through the water.

"A boat may drop down from Lahore to the sea in 15 days, as follows: to Mooltan in six, to Bukhur in four, to Hydrabad in three, and to the seaports in two. This is of course the very quickest period of descent; and I may add, that it has never been of late tried, for there is no trade between Scind and the Punjab by water.

"The tides rise in the mouths of the Indus about nine feet at full moon; they flow and ebb with great violence, particularly near the sea, where they flood and abandon the banks with equal and incredible velocity. It is dangerous to drop the anchor but at low water, as the channel is frequently obscured, and the vessel may be left dry. The tides in the Indus are only perceptible 75 miles from the sea, that is, about 25 miles below Tatta."

1646. What is the nature of the trade of Buhawulpoor?—Lieutenant Burnes states, "The manufactures of Buhawulpoor consist of coongees, which are celebrated for the fineness of their texture. The weavers are Hindoos, a numerous class in this country, and who enjoy more toleration in their trade than in their religion. The merchants of Buhawulpoor deal extensively in goods of Europe manufacture, which they receive from Pallee in Marwar, by way of Bickaneer and the Desert, and send into the Dowranee country by the route of Mooltun and Leia, crossing the Indus at Kaheree. This outlet for the manufactures of Europe has diminished with the anarchy in Cabool, and the supply at present, as in many other countries, often exceeds the demand. The Hindoos of Buhawulpoor, and indeed of all this country, are a most enterprising race of men; they often travel to Balk and Bokhara, and sometimes to Astracan, for purposes of commerce; they take the route of Perhawar, Cabool and Bamian, and crossing the Oxus exchange at Bokhara the productions of India for those of that quarter of Asia and Russia, which are annually brought by the merchants of that country. They spoke highly of the Ulebek king, and praised Dort Mahomed of Cabool for the protection he afforded to trade. The manner of crossing the Oxus, as described to me by these people, is too singular to be omitted; horses are yoked to small boats, and are driven across the stream. The current of the Oxus is said to be less rapid at the surface than lower down. The Sutlege, or rather the joint stream of it, and the Beah or Beeas, called Garra, on which Buhawulpoor stands, is a navigable river, though not used in the transport of its merchandise, but then it does not lie on any available line of route except to Scind, with which country, as I have before repeated, there is no trade from the upper provinces of the Indus. Of the name of this river (Beeds's) I may add, that it is a contraction of Bypase, in which we have nearly all the letters of Hyphasis, the designation of it found in the ancient authors."

1647. What are the productions of the city of Mooltan?—Lieutenant Burnes states, that "the inhabitants are chiefly weavers and dyers of cloth. The silk fabric of

of Mooltan is called 'kais,' and may be had of all colours and from the value of 20 to 120 ks. They are less delicate in texture than the boonzes of Buhawulpoor. Runjeet Sing has with great propriety encouraged their manufacture since he captured the city, and by giving these cloths at his durbar has increased their consumption, as they are worn round the waist by all the seik sirdars; they are also exported to Khorassan and India, and the duties are equitable and moderate. To the latter country the route by Jessulmere and Bickaneer is chosen in preference to that by Scind, from the trade being on a more equitable footing. The trade of Mooltan is much the same as Buhawulpoor, but is on a much larger scale, for it has 40 shroffs (money changers) chiefly natives of Shekapoor."

1648. Is the navigation of the Indus practicable by steam?—Lieutenant Burnes states, "There are few rivers in the world where steam might be used with better effect than on the Indus. It has no rocks or rapids to obstruct the ascent, and the current does not exceed two and a half miles an hour. Our daily progress sometimes averaged 20 miles by the course of the river, for a vessel can be hauled up against the currents at the rate of one and a half miles an hour: with light breezes we advanced two miles an hour, and only when it approached to a hurricane could we stem the river at the rate of three miles. Steam would obviate the inconveniences of this slow and tedious navigation, and I do not doubt but Mooltan might be reached in 20 instead of 40 days. From that city a commercial communication could best be opened with the neighbouring countries. From the account of the river Indus at its mouths, which is above given, it will appear that it would be accessible to steam-boats of a certain size and build; but I am thoroughly satisfied that no boat with a keel could ever navigate the river with any hopes of safety. The flat-bottomed boats are constantly grounding, but they sustain no injury, while boats differently constructed would be at once upset by the violence of the stream, and destroyed. It is not to be doubted, however, that steam vessels could be adapted to this navigation, as well as the existing boats on the river, and the absence of coal would be amply supplied by the great abundance of fuel which the banks of the river everywhere furnish. The Americans use wood for fuel, and the supply of it on the Indus would never be exhausted."

1649. Have you any information in regard to the result of a survey which has been recently made of the Tigris and Euphrates?—Major Taylor, the colonial agent at Bagdad and Bussorah, transmitted to the Bombay government, on the 7th June 1831, a diminished index-map of the labours of Messrs. Elliott and Ormsby, who had completed a survey of the Tigris from Bussorah to Bagdad. Of the correctness of this survey, Major Taylor says that he can speak from minute personal observation, and that he is himself employed on a memoir of the labours of these gentlemen, connecting his own observations with theirs. He then proceeds as follows: "From Bussorah to Arrah by the Euphrates, no natural obstacle to steamers exists for two-thirds of the year, from November to July, requiring two and a half to three fathoms. In the remaining months the water is in some spots lowered to six feet. From Bussorah to Bagdad by the Tigris, the same may be said, with a decrease to four and a half or five feet at particular points. Wood or bitumen for fuel may be had in sufficient abundance for the production of steam; provisions may be had on the route of both rivers, and the Arab inhabitants on the banks will too soon understand their own interest to oppose any obstacles to the passage, not to mention the direct authority of the local government. Messrs. Elliott and Ormsby left Bagdad early in April 1831, for the town of the Bir on the Euphrates, to attempt to descend that river at the greatest reduction of its waters, to ascertain the possibility of its navigation by steam." Major Taylor, on the 7th of August 1830, states, that "Mr. Bowater ascended the Tigris from Bagdad to Mosul; he left the former place on the 13th, and arrived at Mosul on the 22d July 1830." Mr. Bowater stated, that the Tigris was not fordable between Bagdad and Mosul; he then proceeded to Beer, at which place there were a great number of boats employed in transporting merchandize and passengers across the river.

1650. Was the information which you have now given, in consequence of the orders or instructions sent from this country in the year 1829?—Yes, it is in consequence of those despatches that the Bengal government have been turning their attention to the subject; and most of the information above given is the result of those inquiries.

1651. Have any of the native merchants, who have been sent by the Bombay government, given any information as to how they had carried on their trade?—I have not seen any.

 1652. Was

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1652. Was Lieutenant Conolly employed, or was he merely travelling for his own information?—He travelled for his own information, I believe, entirely.

1653. Are you aware that a considerable number of years since the Bengal government, trying to extend our commerce to Central India, had employed Mr. Moorcroft and another gentleman for that purpose?—I have heard that they were so employed, but I have not read the despatches they may have addressed to the government on the subject.

1654. Have you had any communication with Major Wilson, who was resident at Busire?—Yes, I have seen him since he arrived in this country, and have had some conversation with him.

1655. Did he state that he had met with an American who had lived in the Scind country for many years, upon the banks of the Indus?—Yes.

1656. Do you know whether the information he got from that gentleman is with the Board of Control, or at the India House?—I think it very probable it is either here or at the India House, but I have not been able to refer to it yet.

1657. Have you any information as to the navigation of the great branch of the Indus up to Cabool?—No, I am not aware of any information upon that point.

1658. How near to Attock does the river navigation extend?—Lieutenant Burnes, I believe, is of opinion that the river is navigable all the way to Attock.

1659. Did Runjeet Sing show any indisposition to our navigating the Indus?—Not that I am aware of; he gave the mission a most distinguished reception.

1660. Was he previously informed of the intention to communicate with him?—Yes, he was informed direct by the Indian government through Captain Wade, and he had some of his principal officers deputed to meet Lieutenant Burnes; I think they waited nearly three months for his arrival, in consequence of the difficulties opposed in the first instance to the reception of Lieutenant Burnes by the ameers of Scind.

1661. Is there any statement in the public records of the effects upon trade and revenue which have attended the mission adopted by the British Government for the suppression of piracy in the Gulf of Persia and the Indian Ocean?—Sir John Malcolm, in a Minute dated the 28th of October 1830, states: "The increase of customs upon our trade to the Red Sea and the Gulf of Persia, I find has increased within the last two years, to 44 lacs of rupees per annum from Calcutta, while at Bombay the imports from the Red Sea were, in 1809–10, only 7,19,549, and are now 14,87,888 rupees. The exports were, in 1809–10, rupees 4,80,759, and in 1830, 8,90,145 rupees. From the Persian Gulf imports were increased, in 1809, by the missions to that country and the impressions of our naval force, which kept down piracy, to 30,64,687. This fell afterwards, when the Gulf was unprotected, to below half this amount, but are now 40,34,247. The exports to the Persian Gulf have had a far greater increase: in 1809–10 they were only 17,71,476, and in 1829–30 they amounted to 55,62,260 rupees. From these results, it appears that from the ports of Calcutta and Bombay alone there is a trade with the Red Sea and the Gulf of Persia to the amount of above one crore and 60 lacs, which is not even half the amount of what is carried on with these quarters from the coast of Cutch, Katteywar, Guzerat, Cannara, Malabar, Coromandel, the Mauritius, and countries to the eastward, to the inhabitants of all which we are bound by our duty, as rulers, to grant protection in their commercial intercourse with distant countries. According to a statement lately received from the resident in the Persian Gulf, it appears that imports into Bushire from India amounted, in 1829–30, to rupees 85,91,798, and the exports from that place for the same period, to rupees 33,21,376. The annual amount of the trade, therefore, between India and the ports of Bushire, is 1,19,13,374 rupees; if to this sum be added 60 lacs, as the probable estimate of imports and exports between Bussorah and the former country, and 70 lacs more for those between our Indian possessions and the commercial ports of Muscat, Bunderabass, Lingah, Congoon, Bahrein and Grane, the total of the trade between the Persian Gulf and India will be about two crores and 49 lacs of rupees. The imports and exports between Bombay and the Red Sea last year amounted to nearly 24 lacs; and assuming that sum to be about the estimate of those between the latter quarter and Calcutta, we shall find the aggregate trade between India and the two Gulfs to be about two crores and 97 lacs of rupees."

Lieutenant *James Henry Johnston*, R. N., called in; and Examined.

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1662. YOU commanded the Enterprise in her voyage from this country to India, did not you?—I did.

1663. Will you describe the vessel?—The Enterprise was 470 tons, builder's measurement; her length upon the keel 122 feet, and over all, 1,597; beam 27 feet; including sponsings, 37 feet four inches; including paddle-boxes, 44 feet six inches; the paddle-wheels had 15 feet diameter, and were seven feet broad. She was fitted with a pair of engines by Maudslay, of the limited power of 120 horses; she was capable of stowing for 35 days' consumption of the best English coals; she had a very full body, and her utmost speed, when steaming under the most favourable circumstances, was eight statute miles per hour in dead water and calm. Her average speed under sail alone during the voyage, was five miles per hour; under steam and sail, six minus one-twelfth; before the wind with a stiff breeze, nine knots; when close hauled she made a great deal of leeway, and was on that account always kept one point free, and with a moderate breeze would go six knots.

1664. At whose expense was the voyage undertaken?—A society of gentlemen; the expense was divided into 64 shares, and they were taken by 32 individuals.

1665. What was the cost of fitting out the vessel?—The whole expense attending the voyage to Calcutta, including commission and some coals which were not consumed, was 43,000 *l.*; that includes the interest on money and premium of insurance.

1666. Was it successful as a pecuniary speculation?—Being sold to the Supreme Government of India for 40,000 *l.*, the original amount of the shares was recovered.

1667. But for that sale to the Company, would the speculation have answered?—There would have been a considerable loss.

1668. Will you state the whole of what was done by the Enterprise while under your command?—The voyage was made to Calcutta in 103 days, steaming and sailing; three days were passed at the island of St. Thomas, in the Gulf of Guinea, in procuring water and shifting the coals from the tanks into the boxes; seven days were passed at the Cape of Good Hope in taking in a supply of coals; the Cape of Good Hope was the only depôt for fuel between Falmouth. My only motive for anchoring at the island of St. Thomas was to procure assistance in moving the coals from the large tanks at the back of the boiler into the coal boxes. The apertures in the tanks were very small, and hitherto it had required the exertions of the whole crew of 20 men each day to keep up the necessary supply; whilst the heat to which the men were subject (the thermometer in the tanks ranging sometimes to 130 degrees of Fahrenheit) had caused several of them to faint, and one or two nearly escaped suffocation. At the Cape I engaged more men (natives), who commenced working on the tanks immediately after we put to sea. As it had been contemplated that in consuming the fuel, the vessel would be so much lightened as to require ballast, the coal had been filled into tanks, which were afterwards to be filled with water; this ballast, however, was not found sufficient; and previous to my arrival at the Cape, when there was not more than 15 or 16 tons of coal remaining, I found it necessary to put every weighty article into the bottom of the vessel, even to the spare sails, and to saturate them with water for the purpose of keeping the vessel safe. On subsequent occasions, when I have been obliged to consume the whole of the coal on board the vessel, for seven or eight days previously I have made a point of reserving the ashes, which from Burdwan coal are very considerable, and which being passed through large tubs of water, were afterwards filled into bags and struck into the hold to serve as ballast.

1669. What line of track did you take from England to the Cape?—On leaving England I passed within sight of Cape Finisterre, and passed between the Canary Islands, then inside the Cape Verd Islands, about 100 miles from the Cape Verd, and stood away to the eastward to the island of St. Thomas.

1670. Did you originally intend to visit the isle of St. Thomas?—No, I did not. On leaving England, I steamed for 11 days without intermission, and then reached to the southward of the Canary Islands, where I expected to fall in with the north-east trade wind: in this I was disappointed, and on examining the coals which remained, I felt convinced that I had not sufficient to steam all the way to the Cape of Good Hope. I had been led to expect that the Enterprise would have had at least a mile or a mile and a half per hour more speed than she proved to have, and

under these two disappointments, the failing of the wind and the want of speed of the vessel, I found that to make the voyage at all, I must determine on going under sail whenever I could proceed at the rate of four miles an hour. After passing the Cape Verd Islands, I made a course for the Island of St. Thomas, employing steam and sail alternately, as wind or calm might prevail. From St. Thomas's Island I steamed directly south, to latitude 17° 30′ S., encountering a heavy swell, and a current setting to the northward with calm weather from lat. 17° 30′. long. 7° 45′ E. I made sail with a light wind from south-south-west, which gradually veered to south-east, when I reached the 29th degree of south latitude. I again set on my steam to gain the westerly winds, which conducted me to the Cape. The first time I cleaned my boiler was at the expiration of the 11th day, when I was much gratified to find that Mr. Field's refrigerator had completely prevented the formation of salt in the boiler, the only deposit being a slight incrustation of the sulphate of lime over the furnaces. During four years that I commanded the Enterprise, no salt was ever formed in the boiler.

1671. What was the course you would have taken if you had had an ample supply of coals, and a vessel which was in every way well calculated for a sea steam-boat?—Had she been calculated to make the voyage to India, she ought not to have carried more than 10 or 12 days' coals at the utmost, and there should have been more depôts, occurring as frequently as the necessity for sweeping the flues.

1672. On what day did you reach the Cape?—On the 13th of October.

1673. Did you meet with any rough weather off the Cape?—Not before I arrived there; off Cape Palmas I had some very rough weather.

1674. How did your vessel weather the seas?—She behaved very well, she was scudding under sail off the Cape of Good Hope.

1675. Do you allow, when you are scudding in a gale of wind, your wheels to run round with the velocity that the ship goes through the water?—Yes; the wheels are in that case disconnected from the engine, and turn round independently of each other, entirely as the velocity of the ship may affect them.

1676. Do you conceive that in such a heavy sea as there is occasionally off the Cape of Good Hope, a steam-vessel would be exposed to any danger which would not attach to sailing vessels?—I think that whilst her engines remained in order and available, she would be less exposed than another ship to danger. On my arrival at the Cape I had only six hours' coal remaining; my detention there was occasioned by gales of wind blowing from the south-east.

1677. But for that, how soon could you have taken in a new supply of coals?—In 48 hours with great ease.

1678. Was that the first steam-vessel which had ever touched at the Cape?—Yes, it was.

1679. Will you state your course from the Cape to India?—From the Cape I proceeded very deep, and off Cape Nattal, when I opened the Mosambique channel, I experienced a strong gale from the south-west, with a heavy sea, occasioned by the current running to the westward; the fires were put out, the wheels disconnected from the engine, and the ship scudded under her main-topsail and foresail, going at the rate of 10 knots per hour, but making a progress of not more than 80 miles in the 24 hours, from the strength of the current. She steered admirably; she answered her helm as well as a ship could possibly do, and behaved in every way like an admirable sea-boat. In passing near the spot marked upon the charts as the Dutch bank, we had every appearance of extremely shoal water, with a ripple, and large collections of birds; the discoloured water extended over too large a space to have been occasioned by a dead fish.

1680. Was it blowing too hard for you to make yourself perfectly satisfied whether there was or was not shoal water?—It was, and the day was closing. I proceeded to the northward, leaving the island of Madagascar to the west, and passing near the Sichall Islands, and reached within a degree of the equator, in latitude 60; from thence I steered to the eastward, and experienced a current setting to the eastward at the rate of 80 miles in 24 hours; I passed to the northward of Pona Molubque, and shaped a course to the Andaman Islands. My fuel being at this time very low, I thought it desirable to take up a position, at which the north-east monsoon would ensure my reaching the Sand-heads under sail. I arrived at Diamond Harbour on the 6th of December, having expended the whole of my fuel, and was obliged to purchase wood to steam up to Calcutta. During the passage from Falmouth to Calcutta, no other accident happened to the machinery or

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the boilers, but such as we were enabled to repair in the course of one or two hours.

1681. Had you not some accident in the British Channel?—Anxious to take on board as much coal as could possibly be stowed, 40 tarred sacks filled with that article had been placed upon the boilers; when off Dungeness they were discovered to be on fire; the vessel being admirably provided with the means of extinguishing any fire that might occur, it was got under in 10 minutes, having done very little damage.

1682. You were 113 days performing the whole voyage?—Yes.

1683. In what time did you expect to perform it before you started?—I hoped to have performed it in between 70 and 80 days.

1684. The disappointment arose from the two causes which you have already stated, and from no others?—Yes, from the causes I have already stated, particularly the want of speed in the vessel, arising from her great capacity. I had certainly calculated on meeting with the north-east trade, and finding more available winds than we did experience; but it is to be attributed to the unfitness of the vessel for the undertaking.

1685. How many passengers did you take out?—Seventeen; the passage money amounted, I think, to 2,000*l.*

1686. Did you take any goods?—No, a few packages which were not charged for; we were desirous to induce persons to consign their packages and parcels to our care.

1687. Did the steam add much to the heat or inconvenience of the passengers?—Not at all; we experienced no inconvenience from heat, but considerable inconvenience from the coal dust, when it became necessary to take the coal from the after-hold.

1688. Did they complain of the cabin accommodation?—The accommodation was generally admired, it was excellent.

1689. What was done with the Enterprise after her arrival?—The Enterprise was delivered to the Bengal government on the 26th of December, and on the 5th of January started for Rangoon with despatches: her first voyage to Rangoon and back occupied 13 days: she left the Sand-heads on the 7th of January, at 5 P. M., and arrived at Rangoon on the 12th of January, at 5 P. M., the distance 620 miles: she left the Elephant, which is at the entrance of the Rangoon River, on the 14th, at 6 P. M., and arrived at Sand-heads on the 18th, at 6 P. M. The passage from Calcutta to the Sand-heads generally occupies two days, from circumstances of tide and shallow water on the Janus and Mary.

1690. Was it possible at that time of the year to have made the voyage there and back in a sailing boat, without greater delay?—No; I arrived at Rangoon a week after His Majesty's ship Champion had sailed with despatches for Calcutta. I returned to Calcutta, took in coals, and was on my way down the river, when the Champion's boat passed me with the commander, who had left her at Sauger Roads. My speedy arrival with the duplicate despatch of the treaty of Malown, which I delivered on the 5th day after leaving Rangoon, prevented the government an expense of 6,00,000 rupees, by arresting the march of troops from the Upper Provinces, the execution of new contracts for stores and provisions, and the hiring of transports.

1691. Were repeated voyages made from Calcutta to Rangoon?—Yes.

1692. How many did you make within any certain period?—Between the 7th of January 1826 and the 20th of the following September, I made six voyages between those places, and a voyage to Chittagong and Akyab; the intervals were employed in river service; but political circumstances requiring that the Enterprise should be kept in momentary readiness for despatch, the little repairs and adjustments which had become necessary from 13 months of uninterrupted employment could not be permitted to be taken in hand, and continued to accumulate in number and to increase in magnitude, until, on the 20th of September, the slides, valves and cocks were so much out of order, as to render the engine incapable of forcing the vessel against the tide of the river, and she was placed under a repair, which in England would have occupied at the utmost one month, but which was not completed before the 20th of the following March, a period of six months. The Enterprise was afterwards employed principally in conveying troops and stores between Calcutta or Madras and the Tenasserim Provinces or the coast of Aracan; in the conveyance of treasure, and in towing the Company's ships and transports to and from sea. Between the 7th of January 1826 and the 18th of April 1829, she

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she made 52 communications between different ports, conveying 1,970 troops and other passengers, 2,000 tons of stores; she towed 18 ships to and from Calcutta, and His Majesty's ship Herald from Calcutta to the south end of Ceylon; she went over a distance of about 28,600 miles. The average of her speed under steam was 4 ¾ miles per hour; the average cost of coal about 3 *s.* per mile; her voyages were generally performed in six days from Calcutta.

1693. What would have been the average period for sailing vessels?—Three weeks.

1694. Is a steam-boat now employed by the Indian government for making voyages between Calcutta and Rangoon?—There are three employed whenever they are required; they are in constant readiness.

1695. Did you go up the Ava River or the River Irrawaddy?—Yes, as high as Rangoon; there was water for a vessel of the Enterprise's draught a short distance above it, but only a short distance; the Enterprise required too much water for inland navigation.

1696. Are those all the voyages you performed in the Enterprise?—No; my principal employment was between Calcutta and Rangoon during the Burmese war, and until the whole of the troops had been removed. I was afterwards employed between Calcutta and Amherst.

1697. Is that a good harbour?—Yes, a very good anchorage; it is a dangerous one to enter, but there is a river in which ships might find very good shelter, a river that runs out of Amherst harbour, with five fathoms water; it has a bar with one fathom at low water spring tides, the rise is 19 feet full and change.

1698. Is the Saloween River navigable for steam vessels?—Yes, the Saloween is navigable to Molmeine, but not for the Enterprise; for vessels drawing not more than 10 or 11 feet it is navigable.

1699. Was the Enterprise employed at all in conveying troops or towing vessels?—In conveying troops and followers; the largest number of troops that the Enterprise ever embarked was 210 pioneers, with officers, from Madras to Amherst; the passage was performed in 10 days, and she embarked upwards of 50 tons of cargo in addition (of commissariat stores principally); she was employed upon one occasion to tow His Majesty's ship Herald, with Lord Amherst on board, from Calcutta to the south end of Ceylon.

1700. At what rate were you able to proceed with that vessel under tow?—At five and six miles an hour, according to circumstances, as the winds were light or strong; in a dead calm, six miles an hour.

1701. How many tons was the ship that conveyed Lord Amherst?—A yacht, I fancy, not more than 400 or 500 tons. The Enterprise in 1829 conveyed the present Governor-general from Calcutta to Penang, and the island of Sincapore, to Tenasserim, to Achiab on the coast of Aracan, and back to Calcutta.

1702. How many days were you going to Sincapore?—From Calcutta to Penang eight days, from Penang to Malacca 30 hours, and from Malacca to Sincapore 20 hours.

1703. In what time do you conceive the voyage might be performed from Calcutta to Sincapore direct in a steam vessel?—In 10 days.

1704. In how many from Sincapore to Canton?—In 10 days.

1705. Have you any account of the time which has been taken by a vessel which has gone to Canton lately?—I have not; but she towed a vessel and sailed part of the way; but I speak of a vessel which is fitted for the voyage; the Enterprise would not do it in the time I have mentioned. For particulars of the steamer Forbes's voyage to China, I will refer the Committee to a book compiled by Mr. Prinsep, by desire of the Governor-general; that book contains extracts from official documents, and Mr. Prinsep had the best aid of all the public officers in any way connected with steam navigation.

1706. Have you any particular observation to make on the voyages you performed in the Bay of Bengal after your arrival at Calcutta?—I consider that the Enterprise, though very ill adapted for making a voyage from England to India, or for making a voyage from Bombay to the Red Sea, or generally between Calcutta and Madras, was perfectly adapted to the service in which she was generally employed, that of conveying troops and stores between Calcutta and the Tenasserim provinces. Her great capacity enabled her, in addition to a supply of coal for the voyage round, to carry a large quantity of stores, and a number of troops or other passengers; and being seldom opposed to strong winds, the course between Calcutta and Tenasserim being nearly south-east and north-west, and the monsoons blowing

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at right angles with the course, enabled the vessel generally to avail herself of sail in addition to the steam, and to perform her voyages with certainty and with a fair speed.

1707. Are there any peculiar circumstances in the Indian seas that attracted your notice, which would render the use of steam navigation more applicable or otherwise than elsewhere?—I think that for government purposes steam-vessels are peculiarly serviceable. In the Bay of Bengal and the dependencies of that presidency, calms are very prevalent, and the passages in sailing vessels very uncertain; it frequently happens also that Hindoos, who have a great aversion to embarking on board ships, are required to be transported from one port to another, and owing to the shorter period of the voyage in a steam-vessel, they have less objection to embark in those vessels. The speed and certainty with which a voyage in a steam-vessel is made, is also a circumstance calculated to give greater effect to any expedition that it may be necessary to undertake.

1708. Does not the disposition of the islands on the eastern coast to the Bay of Bengal, render steam navigation extremely useful?—The intricacies of the passages between the islands, and the uncertainty of the winds, is rendered much less inconvenient by the employment of steam to a government where time is frequently of the greatest consideration; it is the most economical means of transport, either for stores or for troops or officers, that can be employed. The commissioner on the Tenasserim coast has to visit stations distant from each other more than a week or 10 days' sail in a common vessel, whilst in a steam-vessel he may be conveyed from one extreme of the province to the other in the course of a night. Sir Archibald Campbell declared to me, that he considered a steam vessel capable of embarking 200 men, might on the coast of Tenasserim dispense with the presence of five companies of troops at different points.

1709. What fuel did you make use of in the voyage you made in the Bay of Bengal after the termination of your first voyage out?—Burdwan coal principally.

1710. Is that of good quality?—It answers very well for steam purposes, but is not so strong as the best English coal. I once was supplied with New South Wales coal, which did not answer so well as the Burdwan. I do not mean to condemn the New South Wales coal generally, for I believe there are several varieties of it, as of the English coal.

1711. Will the Burdwan coal answer, generally speaking, for steam-engine purposes?—Generally speaking, it answers very well.

1712. Whence does the indisposition of the Hindoos to be on shipboard arise?—Their religion does not permit them to cook while on board; they must live on parched rice and sweetmeats; their religious prejudices snbject them to other inconveniences and privations.

1713. What was the monthly expense of keeping up the Enterprise while you commanded her in India?—When I tendered the Enterprise for sale to the Bengal government, I stated her expense would be 13,000 or 14,000 rupees a month, including every thing. I reduced the expense of the Enterprise to 3,500 rupees a month, exclusive of coals, and the wear and tear and the repairs; 3,500 rupees a month was the amount of salaries and provisions; of this sum 500 was an excess of salary granted to the commander under peculiar circumstances.

1714. Is there any remark you would wish to make as to the expense of the Enterprise, which might be rectified in any other vessel?—I believe that the expense of the establishment of steam vessels in India may be very considerably reduced; at present, engineers are sent out at a very enormous expense, not less than 1,000 *l.* a year to each sea-going vessel; the repairs also that become necessary, owing to the want of an efficient establishment, are done at an advance of from 50 to 900 per cent. upon English prices; the time also which is required for performing any repair is one of the most expensive portions of the outlay. I believe that if the most respectable engineers were selected, and raised in their situation on board the vessels to the rank of the master, their services might be obtained at much lower salaries. The jealousies detrimental to the service, but which now without one exception subsist between the mates and the engineers, would cease, and the latter, relieved from the drudgery connected with the engines, would be required only to superintend; the work would be more efficiently performed, and their health would remain unimpaired; they would be less exposed to the temptation of relieving exhaustion by a recourse to stimulating drinks. One engineer of the first-rate class, instead of two in each vessel, would, under such an arrangement, be sufficient, and under him three men might be employed, selected or trained up

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from amongst the half-castes or natives of India, to drive the engine and to do the laborious work; by training the natives, and particularly the half-caste population, as working mechanics, more efficiency would be ensured in the different mechanical establishments; the work would be executed more promptly, more efficiently, and at a much cheaper rate than it now is, and steam navigation might then be conducted in India at little more expense than it is in England.

1715. You have now stated the whole of the services which were performed by the Enterprise while under your command, have you not?—I have stated the nature, and I believe nearly the whole of her services, but she was not constantly employed.

1716. Do you believe that under improved arrangements a voyage from England to India may be accomplished with greater success?—I certainly think it may. Were a communication to be established with India, I should recommend the employment of vessels of the first class of speed; they should not carry more at the utmost than 10 days' coal, and the depôts for that article should be so arranged as to leave not more than 1,200 or 1,300 miles between any two; they should also be chosen, where possible, in such situations as would admit of a vessel or hulk being moored alongside, of which the steamer might lay to and receive her coals, otherwise the loss of time necessary to convey them in boats, would defeat the possibility of accomplishing the voyage within a moderate period.

1717. Where would you propose to make your depôts of coals?—I should place my depôts in different directions, so that they should be available under all circumstances of wind, that if a steam vessel could not conveuiently approach one she might bear up for another. I should have depôts at Lisbon, at Madeira, at one of the Canary Islands, at Cape Verd, Cape Palmas, Ascension, St. Helena, the island of St. Thomas, at St. Philip de Benquil, at the Cape of Good Hope, in Algoa Bay, Port Dauphin, Isle of France, at Diego Gaida, Pono Molubque (if anchorage for a hulk can be found at that place), Point de Galle, at Trincomalee, at one of the Andaman or Nicobar Islands, at Madras, and at Calcutta; and in the passage to Bombay it would be necessary to have one at Delgoa Bay, at Joanna. at the Seychelles, Cochin, and at Bombay.

1718. To how many days would the voyage to India be reduced, supposing all the circumstances alluded to in your former answer were most favourable?—I believe to not less than 80 days; that will require an average of more than seven miles per hour, exclusive of all stoppages for coal, or for cleaning the flues, &c. But I must explain, that I am only supposing the case of its becoming expedient for government purposes to establish a communication with India by the way of the Cape of Good Hope, at whatever expense it might involve, for I am thoroughly convinced that the communication between England and Calcutta, under the existing state of steam navigation, can never be accomplished but at a heavy sacrifice, but that when the exigencies of Government shall require such a communication to be established, it may be done; and I believe it will be best done by the employment of such steam vessels with numerous depôts.

1719. Will 80 be the minimum, or a fair average for such a voyage?—I think, 80 is the average.

1720. What do you think the fair average to be at present for a sailing vessel?—One hundred and twenty, or 130.

1721. You consider probably that steam navigation could, under no circumstances, be rendered applicable to any other purpose than that of conveying letters and passengers?—Certainly to no other; but there is another means by which a quick communication may be established with India by way of the Cape of Good Hope, one which I had in contemplation eight or nine years ago; that was, to fit a steam-engine of 30 horse-power into a fast vessel of 600 tons, to use it only as an auxiliary to move the vessel through calms, and such an arrangement would take from her capacity for cargo about 100 tons. I feel convinced that a passage might be made to Calcutta upon the average of between 85 and 95 days.

1722. Would such vessels be applicable to commercial purposes?—Yes, they would.

1723. In such a case, that vessel would take the fuel on board necessary for assisting her on the voyage?—She would, and the whole sacrifice, I think, would not exceed from 100 to 130 tons.

1724. Have you ever heard of a plan being proposed for fitting steamers into the long boats, and setting them to tow the ship?—I have heard of that plan, but there are two very strong objections to it: in the first place, it requires that the vessel

vessel which precedes should have considerable weight, or she would make very little impression on the vessel which followed; and in the next place, it would be desirable to get the vessel under the influence of steam as quickly as possible on the wind subsiding, but from the adjustment required for the getting this steam-engine into the long-boat, too much time would be taken in the preparation; I do not think that the plan would answer so well.

Lt. *J. H. Johnston*, R. N.

19 March 1832.

Martis, 20° die Martii, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

Lieutenant *J. H. Johnston*, R. N., Re-examined.

Lt. *J. H. Johnston*, R. N.

20 March 1832.

1725. HAVE you directed your attention to the navigation between Bombay and Suez by steam-vessels?—I have. Early in 1803 I printed a prospectus, advocating that route for a communication with England.

1726. At what annual expense do you conceive a monthly communication between those places could be maintained?—From about 45,000 *l.* to 50,000 *l.* a year; but to accomplish it at such an expense it would be necessary to enter into new arrangements. Under existing circumstances it could not be done.

1727. Describe what you conceive would be the proper arrangements?—I think it would be desirable to build vessels in England; they could be constructed of lighter materials, and at a cheaper rate than they could be built in Bombay. They would perhaps not last so long, but they would have greater buoyancy and more speed from the lightness of the materials, and they would in the end be less expensive, since within an equal time they would perform a greater distance.

1728. Do you believe it would answer to individuals to establish a communication on that plan?—I think it would ultimately pay as a mercantile speculation, but it must be well established before any returns could be expected.

1729. Do you not conceive it would be necessary to make some change in the law by which the postage of letters to India is at present regulated, in order to make it answer as a private speculation?—I think a privilege of charging postage might be granted; persons should not however be constrained to send their letters and incur postage by that route; but if it were optional, I think a great number of letters would be sent, though certainly not nearly so many as some statements exhibit. I believe the principal returns might be expected from the conveyance of passengers and packages. Under the present arrangement, communication is made with considerable difficulty. The depôts for coal are at too great a distance from each other, and the only vessel employed on that service, the Hugh Lindsay, when she leaves Bombay, is so overloaded, that her speed is considerably reduced. To establish communication advantageously, it would be desirable to have a vessel capable of carrying not more than seven or eight days' coals, with stations at a distance in no case exceeding 800 or 1,000 miles. The first station at Ashtola, a distance of about 600 miles from Bombay; the second at Curia Muria, 735 miles from the latter place; the third at Babel Mandel, 766 miles from Curia Muria; the fourth at Judda, about 600 miles from Babel Mandel. With such an arrangement, no depôt would be required at Cosseir; and if at each of these stations a hulk of 600 or 700 or 1,000 tons were moored as a coal depôt, a few hours only would be required to replenish the fuel, clean the boilers, and sweep the flues. In the Enterprise, on the voyage to India, this operation was frequently performed in six hours from the time of stopping the engine until it was started again; much time would be economised by such an arrangement, the coal would be subjected to less waste, and would be consumed on an average at from 4 *l.* 10 *s.* to 5 *l.* per ton, and probably at 6 *s.* 6 *d.* or 7 *s.* per mile. The term of the voyage from Bombay to Cosseir, or to return, would average about 22 days. The vessels should be 350 tons, propelled by engines of the united power of 120 horses. The station at Ashtola is only intended for convenience when making a passage against monsoon with a fair wind or in moderate weather. The direct course between Curia Muria and Bombay must be pursued.

1730. How would British trade with India be effected by a ship canal, uniting the Red Sea with the Mediterranean?—I think not materially; as respects the

 conveyance

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conveyance of merchandise to Great Britain, voyages would generally be longer by such a route to any of the British ports than by the Cape of Good Hope.

1731. Why so?—The passage up the Red Sea is generally tedious, and during nine months of the year, between Cosseir and Suez, the northerly winds blow with considerable violence. The voyage from that part of the Mediterranean with which the canal would communicate would also be a tedious one to the coasts of England.

1732. Could not the vessels be towed by steam-vessels?—They might for a certain distance within the Red Sea.

1733. Would not that remove the difficulty?—I think not entirely; during the whole of the south-west monsoon, the voyage to the Red Sea would be very much protracted.

1734. But in other seasons might not the trade be carried on by means of a ship canal without any material delay?—In the favourable season during the north-east monsoon, the passage might be made quickly.

1735. How long does the north-east monsoon last?—From October to April.

1736. Do you not conceive then, that during those months from October to February, it would be practicable to carry on the trade of this country with India by means of a ship canal across the isthmus?—That portion of it which proceeds from Bombay might reach England during those months in five or six weeks' less time than by the route of the Cape of Good Hope; but I think that British trade would be likely to suffer by such a communication, from the advantages that would be given to other nations, if the canal were not exclusively for the use of British shipping.

1737. Has your attention been directed to the interior navigation of India by steam-vessels?—It has. By desire of Lord William Bentinck, immediately on his arrival in India, I reported on the practicability of navigating the Ganges by steam-vessels, and afterwards made an experimental voyage, the result of which was satisfactory. The Précis which I printed for the information of the Court of Directors, and of which this is a copy, contained a summary of the different voyages that have been made by steam-vessels on the Ganges.

1738. Do you consider that there are any articles, hitherto unattainable in the remote provinces of the empire, in consequence of their perishable nature, which might be brought into consumption by means of the introduction of steam navigation in the Ganges?—I believe there are many articles of that description.

1739. Will you state what they are?—Almost all the eatables which are sent from Europe would be conveyed to the Upper Provinces in a state of high preservation; their arrival in a fit state for consumption has hitherto been very precarious.

1740. Will you specify some of the articles?—Cheeses, hams, preserves of different descriptions, and beer, sadlery, stationery, hats, silks, and many other articles which in that climate sustain injury from a protracted voyage. The consumption of all articles of import in India would be much increased by a ready and expeditious means of conveyance to the Upper Provinces; the quicker returns to the merchant would much more than compensate for a small increase of freight on the most bulky articles; on small and light packages the freight would be less in a steam-vessel than the present charge of Dawk Bhangy.

1741. Is the consumption of beer extensive?—Yes, it is very considerable.

1742. Can you state what it is?—I cannot.

1743. Is it consumed by the natives?—No; by Europeans and the descendants of Europeans.

1744. Is it taken out from England?—Yes.

1745. Do they grow hops in India?—No; beer is not made in India.

1746. Do you conceive that steam navigation might be made applicable in the silk, the opium, or the Indigo trade, for the purposes of conveyance?—I think when steam-vessels are established on the river, advantage will be taken of them to convey those goods; but steam-vessels are not required so much for the conveyance of goods from up the country down the stream, as from Calcutta to the interior. Being established, they would be employed for those purposes, but their advantage over the common country boats in descending the stream would not be very great.

1747. What is the amount of the government demand for water-carriage?—I should suppose to the extent of between 30,000*l.* and 40,000*l.* a year, exclusive of the expense of escort for treasure.

1748. On the rivers or by sea?—On the rivers.

1749. How

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1749. How has that been usually supplied?—By means of the native boats.

1750. What is the difference between the expense of a native boat and a steam-boat?—The expense of a steam-boat would be somewhat greater than that of a native boat; the saving would be in the time that is occupied.

1751. Will steam navigation on the whole reduce the pecuniary expense of the government for water-carriage?—I think it will very considerably reduce the expense, by reducing the quantity of tonnage required.

1752. Have you formed any estimate of what extent that reduction might be carried to?—It is impossible for me to form an estimate of that nature, not being aware of the expenses of the government for their depôts of stores, which with the means of rapid transit might be dispensed with, nor of the extent of the reduction that may be made in the strength of the army from the additional value that would be given to the armed force of the empire by such locomotive means at command.

1753. Have you been employed since you returned to Europe in examining the boats used for the navigation of the Rhine?—I have been on the Rhine, the Rhone, the Seine and the Soane, and I have examined the boats on those four rivers.

1754. Did you find any that would answer for river navigation in India?—None that could be taken as models for the construction of boats for the India rivers. The boats on the rivers on the Continent draw more water than is admissible for the navigation of India, which must be limited as nearly as possible to two feet.

1755. Is that the only difference between the river navigation of the continent of Europe, and that which is proposed for the rivers of India?—The Rhine and the Seine admit of boats of considerably greater draught than could possibly navigate on any of the rivers of India with advantage. In the Rhone they have endeavoured to construct boats of the lightest draught, but the draught has not been reduced under three feet, in boats carrying 30 or 40 tons of cargo. The navigation of the Rhone approaches more nearly to the rivers of India than any other river of the Continent; its currents fully equal, if they do not exceed, in rapidity those of the Ganges, and the difficulties are of a similar nature generally, and in some instances greater than those of the Ganges, arising from the shoals in the Rhone being generally of hard stones and detached rocks, whilst those in the Ganges are of accumulated sand, loose and easily dispersed. On the Soane, boats of very light draught are employed, the draught not exceeding 18 or 20 inches, but their capacity and their speed are also very small. On the Soane, also, steam-boats are employed to tow cargo boats in the same manner as is proposed for the rivers of India, but their speed does not exceed five miles per hour.

1756. Is it contemplated that private individuals or private companies will engage in the steam navigation of the rivers of India?—I believe after steam navigation shall have been well established by the government, it will be found so profitable that private individuals will be glad to embark in it, and to supply the government demand, a measure which I consider will be advantageous both to the government and to individuals.

1757. Are there now steam-vessels belonging to private companies in India?—There are four steam-vessels.

1758. Do they yield a profit or pay their expenses?—No, they do not do either.

1759. To what do you attribute that?—To the heavy expenses attending the repairs of machinery, and the delay in effecting those repairs.

1760. What are the causes of that heavy expense?—The high price of mechanical labour, and the want of efficient establishments for effecting such repairs.

1761. Do European mechanics who go out obtain very high wages for their labour?—Europeans are not capable of labouring in India; they can only superintend. The climate would destroy them in a short time were they under the necessity of earning their livelihood by bodily labour; those who are employed as superintendents generally receive very high salaries.

1762. Does the institution of castes among the natives contribute to increase the expense of mechanical labour?—In a certain degree it does.

1763. In what way?—The different castes of natives observe a great many holidays, which interfere very much with their labour; they also are contented with such simple food and little raiment, that the slightest circumstance is an inducement to them to neglect their labour.

1764. Do you mean by that they are indifferent what money they make?—Yes, they seldom save money, and care not to earn beyond their necessities; but they will exact the highest price they can obtain for the small labour they give; the strongest

strongest persuasion will scarcely induce the labourer to extraordinary exertion, and to the offer of double wages to work beyond the usual hours he will in general not readily consent; or if it rains hard he will not attend his work, neither will he willingly quit his meal, nor forego his rest, for money.

1765. Do persons of different castes working together observe distinct holidays?—Different castes seldom work together; they are found working in the same factories, and each observes the holidays of the other as well as his own. The Mussulman observes his own holiday and those of the Hindoo, and the Hindoo his own and those of the Mussulman also, and both are ready to observe those of the Christian. There are other causes which in Calcutta contribute to the expense of mechanical labour, arising from the great distance at which most of the workmen live from the factories at which they are employed, many of them residing at a distance of 8 or 10 miles, so that they seldom arrive at their work until nine o'clock in the morning, and quit it at four in the evening; this in Calcutta is considered a day's work. Having come so great a distance, they are fatigued when they arrive where their duties are to be performed; and one reason of their living at such a distance from their employers is to escape the town duties which are levied on provisions. I have been speaking of the labourers about Calcutta, and within metropolitan influence.

1766. How do you consider that the difficulty arising from that expense may be overcome?—By giving encouragement to and by employing the Indo-British, commonly called the half-caste population.

1767. What do you mean by giving encouragement to them?—By training them to mechanics, by the establishment of societies for apprenticing them. There is an Apprenticing Society and a Marine School Society instituted by Mr. Lloyd, but the funds are not very extensive, depending on voluntary contributions, and all the encouragement is not given to the half-caste population which might be by the European tradespeople.

1768. What is the general employment of the Indo-British, commonly called the half-caste population?—They generally employ themselves as indigo planters, as assistants in factories, in cotton, sugar, and indigo plantations, and principally as writers in the public offices, and in the offices of the European merchants.

1769. Are they better mechanics than the whole-caste people?—But few of them have ever been induced to apply themselves to mechanics, but those who have done so have discovered considerable ability, and may be considered as nearly equal to Europeans, both in the quantity and the quality of their work. Where they have been prevailed upon to apprentice themselves to handicrafts, they have given general satisfaction to their masters; and the reason assigned to me by some of the European tradespeople in Calcutta for not engaging half-caste lads as apprentices was, that when they had acquired a knowledge of the craft they would supersede them in their business; several instances of such having been the case, were cited to me both in Madras and Calcutta; and I am induced to believe that the half-caste population might be brought forward as mechanics with very great advantage, from the reports and the communications which have been made to me of the government school of artificers established at Madras.

1770. Have they any mechanics' institutions established at Calcutta?—They have not at present any; but a short time before I left Calcutta I submitted a proposal to the Governor-General for the establishment of a school for engineers, of which his Lordship approved, but deferred acting upon it until the result of my mission to the Court of Directors should be known; the government however sanctioned my apprenticing to one of the engineers two lads selected from the marine boys; of these, since my arrival in England, I have had a most satisfactory report from the engineer, who states that they can drive the engines.

1771. Do you consider, in consequence of the difficulties and expenses to which you have adverted, that if steam navigation is much extended in the rivers of India, on account of government, it will be necessary for government to maintain large and expensive establishments for that purpose?—No, I do not; I believe that if the native population are trained to mechanical labour, in a very short time machinery may not only be repaired, but be manufactured, in India at nearly as cheap a rate as it can be in England. The new Mint which has lately been established must in the course of a few years contribute very materially to the facilities of the general repairs of machinery.

1772. Do you consider that the natives of India are disposed to avail themselves of steam navigation for the purposes of commerce or of conveyance for their persons

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or goods?—I think that many of the natives will be induced to take advantage of the opportunities that would be offered by the steam vessels of ascending the rivers to the different stations, and that they will find their advantage in conveying their treasure by those means.

1773. Do you know anything of the coal which is to be found in the Persian Gulf?—I have not seen any of that coal; I have heard it is of a very indifferent description, but I suppose, like other coal, it will improve as the shafts are sunk deeper.

1774. Is it not said to be superior to the Cutch or Burdwan coal?—I have not heard that it is.

1775. Do you know of any other place except the Persian Gulf, Cutch, or New South Wales, from which coal could be procured?—Coal has lately been extracted from a mine open near Bhaugulpoor, on the river Ganges.

1776. How far is that from Burdwan?—Three hundred miles.

1777. Is that found to be of good quality?—I have received a report upon that coal, and it is now before some persons who are conversant with the nature of coal. It has been described by Mr. Ward, the Resident at Bhaugulpoor, and from the description, I should suppose it was equal to the Burdwan coal, and as the first quantity has been taken from the surface, we may hope, as we proceed deeper, the quality will improve.

1778. Do you know whether any coal is to be found in Madras or Ceylon?—I have heard it surmised that there is coal in Ceylon. I have not heard of any in Madras. In Bengal there is abundance of coal on both sides of the river.

1779. Are you not aware, notwithstanding the abundance of coal said to exist in Bengal, that it has been more cheap to send out coal from this country to Bombay, than to obtain it from Bengal?—It arises from this circumstance, that the demand for coal at Bombay has hitherto been limited to a quantity which has not exceeded that which ships are obliged to carry out as ballast, and which they therefore can afford to deliver at a lower price than coal could be conveyed to Bombay for, paying freight from Calcutta.

1780. Do you conceive that when the demand is extended, it would become preferable to consume the coal of Bengal?—It is a matter which requires some consideration. There is an advantage in sending coal from England. The best English coal is, in proportion of strength, to the best Bengal coal, as five to three; and beyond the price at which it would be supplied, there would be considerable advantage in the weight that a steam-vessel would be obliged to embark to perform a voyage of a given distance.

1781. Is there coal in China?—I have heard that there is, but I believe it is of a very inferior quality; what has hitherto been produced in China is very slaty.

1782. Is there coal at Singapore and Malacca?—No coal has been extracted there. The coal at Singapore and Malacca has generally been brought from New South Wales.

1783. Is there coal in the Burman empire?—It has not been extracted. There is known to be coal in the Burman empire.

1784. Is it known of what quality?—Of a very good quality, judging from the coal found in Assan.

1785. Is the coal of Assan within our territories?—Yes.

1786. Why has not that been worked?—The expense of conveying it to the boats was found by Mr. Scott to be greater than wood could be procured for, as wood is there in great abundance, and is excellent for steam purposes. The only objection to the use of wood is the space which it occupies in the vessel.

1787. Is there supposed to be coal in the Tenasserim provinces which have recently been ceded to the British Government?—I am not certain there is coal, but I think coal would be found on some of the hills. I discovered black slate much resembling coal in such situations.

1788. What do you consider a steam-boat may be navigated for per month, of the size of those which are at present employed in the service of the government; take, for example, the Enterprise?—The Enterprise's monthly expenses are now about 3,000 rupees.

1789. Including fuel?—No; without fuel. The expense of fuel depends entirely on the voyages that are performed, the distance she has to go, and whether it is necessary to take in coal at a distant port.

1790. Three thousand rupees a month is altogether exclusive of fuel?—Yes.

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1791. Is not fuel the heaviest article of expense?—Yes, it is. I can produce some very satisfactory statements on the subject of the expenses of the different steam vessels, which I submitted to the government of India, in order to reduce the expenses, and to show that the services which the steam vessels had performed were quite equal to the expenses they had incurred.

1792. Can you say what the expense of coal is per mile for the Enterprise?—Coal is now delivered in Bengal at six annas per maund, it was eight annas, but it was reduced at the last contract, and is now at six annas the maund, that is, 9 *d.* a bushel, and the consumption is about two bushels a mile, or about 1 *s.* 6 *d.* The consumption of coal taken in at Calcutta is 1 *s.* 6 *d.* to 2 *s.* per mile, but if it is taken in at Penang, or the coast of Tenasserim, the expense is more than double.

[The witness handed in some books, containing a statement of the expenses of the different steam vessels employed by the government in India.]

Sabbati, 24° die Martii, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

Thomas Bracken, Esq., called in; and Examined.

Thomas Bracken, Esq.
24 March 1832.

1793. YOU are a Partner in the house of Alexander and Company, in Calcutta, are you not?—I am.

1794. How do you reconcile the fact of the great increase of trade which has taken place since the last charter, with the predictions made by many persons of considerable information that no such increase could possibly take place?—I think it originated, in a great measure, from the persons who gave their evidence on that occasion not being personally acquainted with commercial matters; they were almost all gentlemen in high judicial or revenue situations, and not very conversant with the nature of commerce. I think there was some apprehension also on the minds of those persons, that if a trade by individuals was carried on to any great extent in India, it would be followed by a great introduction of Europeans, and that the Europeans being in India would lead to the expression of great doubts on the policy of the present system of government in that country.

1795. Is the consumption of British manufactures confined to any particular class of the natives, or is there any prejudice from religious scruples in their minds against the use or wear of any articles of that description?—No, I do not think there is the slightest objection on the part of any native in India to use articles of British manufacture. The only check there has ever been has been from the want of means to purchase them, not from any prejudices against the use of them; on the contrary, many articles which might be supposed to be entirely excluded by their prejudices, they use to a great extent. I allude particularly to liquors, which in Calcutta are now consumed in large quantities by natives who can afford to purchase them.

1796. By whom are the large exports of cotton to that country chiefly consumed?—Almost entirely by the natives, for the cotton piece-goods are immediately turned into clothes for their own use; the cotton twist is worked up for the same purpose; the lower numbers into the very coarsest kinds of cloth. I do not think the English manufacturers have yet been able to compete in those descriptions.

1797. What prospect is there, in your opinion, of extending the consumption of British manufactures in India?—The great difficulty at present existing to the extension is the difficulty of procuring returns. I think the attention of the Legislature should be directed to every means of improving the condition of the natives of India and its internal resources, so as to enable them to pay for the manufactures of this country. The returns in produce for manufactured goods are now very much less than the importation, and the consequence has been that large bullion remittances are necessary to pay for them.

1798. If the remittances required to be made in this country were attempted to be effected through the agency of private mercantile houses, do you think those houses would, from the smallness of their number in Calcutta, have it in their power to combine and to influence the rate of exchange in a manner prejudicial to the government?—I do not think the number of houses in Calcutta is sufficiently small

to

Thomas Bracken, Esq.

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to produce anything like a combination. There are now, I think, 30 or 40 having different interests, and I do not consider it probable any combination would take place; but if it were to take place, government could always check it by remitting in bullion. They could always have recourse to a bullion level, as a check against a lower exchange.

1799. Do you think it likely there would be such a combination?—I do not see the slightest apprehension of it, there are so many houses, and the interests are so various.

1800. Do you think it more likely, that instead of a combination there would be an active competition among them to supply the remittance?—I think there would be more likely to be a competition than a combination; and, independent of the European houses, there are several native establishments which transact a great portion of the American business. They have all means of remittance at their disposal; one or two did command very large capital. The Americans do not employ the English houses much, but they employ the natives, in consequence of their doing their business cheaper. These natives constantly take American bills, which they sell to the houses of agency, and it would be within the power of government to purchase those bills also.

1801. Will you state the origin, and the peculiar features, of the present commercial system in Calcutta?—The commerce of Calcutta was in the hands of a very small number of houses before the opening of the present charter; previous to that time the houses were chiefly formed of gentlemen who had been in the civil and military services, who, finding their habits perhaps better adapted for commercial pursuits, obtained permission to resign their situations, and engage in agency and mercantile business. They had of course a great many friends and acquaintances in their respective services, and from those gentlemen they received their accumulations. They lent them to others, or employed them themselves, for purposes of commerce; they were, in fact, at first the distributors of capital rather than the possessors of it. They made their profit in the usual course of trade, and by the difference of interest in lending and in borrowing money, and by commission. In the course of time, carrying on a successful commerce, many became possessors of large capital, and returned to this country, leaving most part of it there; but the persons who succeeded generally came in without capital of their own, the same system being continued, and those houses became the usual depository of a great portion of the savings and accumulations of the military and civil services in India.

1802. Those savings were, in fact, employed as their capital in trade?—Yes, that was the origin of the houses in question. When there were very few houses of business, very large fortunes were made by some gentlemen in them. After the opening of the trade other houses were established, connected more particularly with Liverpool and the out-ports, and that spread the business a great deal. The older houses have not now the same monopoly, if I may so call it, which they had before.

1803. The houses of agency do now, in fact, carry on three branches of business, agency, banking, and general trading, do they not?—The whole of the houses do not; there is only one house which carries on private banking now; the house to which I belong has had a bank attached to it for 60 or 70 years; we are now the only bankers who issue notes.

1804. Do not the other houses receive deposits, pay drafts, and discount bills?—Yes, they do; but they do not issue bank notes.

1805. You say that some native houses do the business cheaper; what is the nature of the business done, and the charge for agency generally made by the native houses and the English houses respectively?—I think there is a difference of very nearly one-third. The English houses would charge probably two and a half per cent. on the purchase of an investment, and the native would not charge more perhaps than one and three-quarters per cent.

1806. If the native houses are in good credit, and do their business cheaper, will not the greater part of the business ultimately fall into their hands?—It is only a particular branch of business; and is, more strictly speaking, carried on by native brokers rather than native houses, and confined almost exclusively to the American vessels. I do not think there is any other business of this description conducted by natives in Calcutta.

1807. Why do not the Americans make their returns in goods instead of sending

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ing home bills?—It is with bills they provide their cargoes. They are the sellers of bills, and purchase what they want with the proceeds.

1808. What is the nature of the bills with which the Americans trade?—They generally bring out a letter from, perhaps, Messrs. Barings' house, or from Mr. Wiggins, or other houses in the American trade, which state that they will honour bills drawn upon them to a certain amount. A very large amount has been raised by the Americans in that way, probably two or three hundred thousand pounds in the course of a year.

1809. You state that the export trade could be carried to any extent if there was a sufficient return; why then do not the Americans increase their export trade?—It is a subject of consideration of course with an American, whether it is better to make his remittance to Calcutta in bullion, in bills, or in merchandize; one reason why he does not perhaps bring merchandize is, that it is subject to double import duties to that brought by British ships; but they do bring of course sometimes merchandize, and even English merchandize; but the relations of trade between India and America are not the same as between India and England; and there would still be the same difficulty as to returns.

1810. In what articles has the trade much increased since the renewal of the Company's charter?—Principally in cotton manufactures.

1811. If the cotton manufactures were excluded, would there then be an increase?—Yes, even excluding the cotton manufactures, it has increased; but the great increase has been in that branch.

1812. Can you state the amount of the increase, excluding the cotton manufactures?—No, I cannot speak to the exact amount.

1813. Have you seen a recent publication by Mr. Wilson, showing the exports and imports into Calcutta in 1828, and in each year from the commencement of the present charter?—I have.

1814. Does that state that, exclusive of cotton goods, there has been a general increase?—I do not recollect whether he enters into that detail: the impression upon my mind is, that he speaks of a general increase. I cannot at this moment say whether he speaks to particular articles which have increased or decreased; but of course there have been fluctuations.

1815. Is there much difference between the price of cotton goods in 1813–14, when the charter was renewed, and the present time?—They are very much cheaper now, owing to the influence of machinery in this country.

1816. If they had continued at the price at which they were when the evidence was taken before the Parliamentary Committees of 1812, could they have been introduced to any great extent into India?—I think the means of purchase would have been the only check to their consumption.

1817. The question refers to their comparison with Indian manufactures; could they have been introduced in competition with those manufactures, if the price had not fallen in a very great degree?—Perhaps not; but I conceive that the manufacturing power of this country was such as ought to have led people to suppose that it would, if there had been a new market, have had the effect of reducing prices.

1818. Do you think that any of those individuals who at that time gave evidence could have foreseen the extraordinary fall which has since taken place in the prices of all cotton goods?—I think that a person at that time should have given his opinion on the general principle, that all trade would find its level; that there was no necessity for preventing persons carrying on the trade, if there was no chance of English manufactures falling in price, or lower than native manufactures, for then of course there would have been no increased consumption; but it was a thing that should have been left to the course of trade: and I think that the evidence then delivered did not go so much upon the cheapness of production here, as that there was in India among the inhabitants a decided objection to use English manufactures.

1819. Do you think that there is any chance of the native houses of agency in Calcutta, engrossing from the lowness of their charges the whole of the trade; or were they to greatly increase their trade by lowering their commission, would not the European houses lower theirs, in order to compete with them?—Undoubtedly, if they saw any danger of losing their business from the difference of the rates.

1820. In the answer you have returned to the circular of the Indian Board, you express this opinion: "I have not taken into consideration remittances *viâ* Canton, because I doubt the policy of the Indian government relying on the China trade

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trade to provide the means, either directly or indirectly, of defraying any part of its territorial expenditure." Why do you doubt the policy of the Indian government relying upon the China trade for providing the means of defraying a part of its territorial expenditure?—Because I think that the East India Company, by having had the monopoly of the China trade, and deriving very considerable profits from that source, have neglected in some degree the economy that they otherwise would have practised in their Indian government.

1821. Have you any doubt that if the China trade was to be thrown open to Europeans, that one of the regular means of effecting remittances from India to Europe would be by consignments of Indian produce to China, and by the investment of the proceeds of such produce in tea for Europe, and by individuals drawing bills upon England for the proceeds of the tea?—I believe that that would be a channel of remittance; but in the way I have taken it, I am supposing that the trade being open between Canton and London, the exports and imports would equalize each other, and that there would be, therefore, nothing due to China by England, but China would still have to pay Calcutta for its opium; and the proceeds of that opium (the Chinese being great consumers of it, and continuing to consume it), even if all the tea sent was paid by the manufactures of England, would still be available to be returned to Calcutta, or sent on to England in bullion. Whatever facilities opium now affords as a remittance, would still be afforded. It would be only a matter of calculation whether it was better to send the value of it back direct to Calcutta, or to send it on to London.

1822. Do you think that if the monopoly of the opium trade was withdrawn, and the price considerably lowered, there would be a large increase of the sale of opium in China?—I believe a reduction of the price of opium, Bengal opium, would certainly lead to increased consumption; but in consequence of the Malwa opium now going in such large quantities to Canton, I have great doubts whether the Calcutta opium will extend so greatly as might have been expected. An impulse has been given to the Malwa trade, which I think is calculated to check very much the opium trade in Bengal.

1823. Although large consignments of Malwa opium are made to China, will not the government of India be able, from the low price at which they can manufacture the Bengal opium, to continue to realize a large revenue from it?—Unquestionably the present system produces a very large revenue to the government; but I think that revenue is likely to be interfered with by the competition of Malwa opium.

1824. Has not the Malwa opium coming into the market occasioned a great fall in the price of opium, and a large increase of consumption in China?—The increase of consumption I attribute entirely to the fall in price.

1825. Do you think that there would be a further increase of consumption of opium in China, if, by removing the monopoly, the price was to be still further reduced?—Yes, I quite concur in that view.

1826. Would not every measure having a tendency to open a market for the produce of India, assist in enabling that country to effect the annual remittance of nearly three millions sterling required to be made to this country?—Yes; any means which can be devised to find a market for the produce of India in any quarter, I conceive, will improve the powers of remittance to that extent.

1827. Do you think that if the China trade were thrown open to Europeans, and the opium monopoly discontinued, it would present a channel for regularly effecting a large amount of remittance from India to Europe?—I think it certainly would.

1828. Inasmuch as it would open a steady market for a large amount of one of the staple productions of India, would it not be beneficial to the inhabitants of India, by lightening the burthen of making remittances to this country?—It would, unquestionably.

1829. Are you aware that they are beginning to grow opium to a large extent in Java?—I saw that stated in the evidence, I think, of Mr. Deane, who was examined about a year ago; but I have no personal knowledge of Java.

1830. Are you aware that the consumption of Turkey opium still continues to increase?—That is, I believe, also increasing; but not at all to the extent of the Malwa opium.

1831. Is it your opinion that Malwa opium can be grown cheaper than Bengal?—I believe not so cheap, nor so good.

 1832. Would

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1832. Would it be necessary for government to take off all taxation on the Bengal opium to allow it to compete with the Malwa opium?—No, not all taxation, I think if they were to substitute an excise or license, they might still derive a considerable revenue, and it might be shipped so as to meet the Malwa opium.

1833. Have you made any calculation of the revenue the government might derive from opium in that way?—No, I never entered into the details; but it has struck me, in consequence of the great fall in the Bengal opium, which has already affected the revenue, with the chances of a great supply of Malwa opium still continuing, that it would be necessary to adopt some measure in Bengal for that purpose; and I believe Lord William Bentinck had in contemplation the substitution of either a transit or an excise duty on opium, instead of monopolizing the growth of it.

1834. Would it not be difficult to prevent smuggling in opium, owing to its being valuable in comparison to its bulk?—I think the same establishment that is used for the purpose of checking smuggling now, might be continued at the same expense. I do not see myself any obstacle to the prevention of smuggling, arising from any difference as to whether it should be monopoly or excise.

1835. Do you think it would be necessary to have an increased establishment to prevent smuggling to a great extent?—I think not; but my opinion is only that of a person who has given a general attention to the subject.

1836. If any country, such as Java for instance, can raise opium at as cheap a rate as Bengal, and allows it to be exported to China free of duty, would not such opium engross the opium trade, and drive the Bengal opium out of the market?—If the cost of production in Java be less than in Bengal.

1837. Will it not, if it be equal, but not subject previous to exportation to he payment of any duty, and free from a monopoly?—If it comes to the consumer at a cheaper price, of course; but I am not at all aware of the price of opium in Java.

1838. Have there been twist mills established lately in India?—There have.

1839. What is your opinion as to the consequence likely ultimately to result from them?—I have very great doubt whether they will be able to compete with the cotton mills in England.

1840. Upon what grounds do you entertain such a doubt?—One reason is, that there is great difficulty at Calcutta at present in repairing the machinery employed, and any accident happening to it is likely to stop the whole. The cotton twist that has already been made at those mills of corresponding numbers with those sent out from this country, has not I understand been so much liked by the natives as the English: it bears a less value than the corresponding numbers from England. It may be a matter of fancy, but there is a prejudice in favour of that which comes from England.

1841. Is it likely that considerable establishments, such as foundries and others, will be set up in Bengal to meet the demands for machinery, which is now sent out to a large extent from this country?—Yes, it is no doubt for repairing machinery; I speak to that point with some degree of certainty; for a gentleman of the Madras civil service, Mr. Heath, who came home to this country, but is now returned to India, and who is connected with the house to which I belong, has set up a foundery at Porto Novo; and by a recent account which I have received, I am informed it has been just brought into operation, and that the iron cast there has been found to be of the very best possible description.

1842. Mr. Heath has gone to Madras with a monopoly given to him to a certain extent for the remainder of the present charter?—Yes.

1843. You state that the iron he makes proves to be good?—Yes; I saw an account very lately published of his attempts. We had intended at one time to establish Mr. Heath at Burdwan, immediately contiguous to our collieries, as there is a great quantity of iron ore in the vicinity, and the facility of having fuel on the spot seemed a great advantage; but Mr. Heath himself thought that the quality of the iron ore at Porto Novo was better than that at Burdwan, and there was a great supply of wood at the former place, and wood is preferable to coal for the manufacture of iron.

1844. Have you any account which shows the price at which he can manufacture iron which will bear a comparison with the iron from this country?—Much cheaper than the cast-iron sent from this country.

1845. He

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1845. He also expects to make steel equal in quality to Swedish steel, does he not?—He does; he has already, I believe, made knives and scissors, which have been considered by professional persons here equal to any from Sheffield.

1846. Do you recommend that he should manufacture the iron at his own foundery, or send it to Calcutta to be manufactured?—I rather think that he will find it better to send his iron to Calcutta.

1847. You have a water navigation up to Burdwan, have you not?—Not at all times of the year; for about four months in the year it is navigable to boats of the largest size.

1848. Are you aware of the vast and extensive establishments which exist at Glasgow, Manchester, and the neighbourhood of other manufacturing towns, for the sole purpose of making machinery, and the extreme nicety in the manufacture of it, upon which the perfection of cotton, silk and other goods made by it depends?—I am quite aware of the necessity of the extreme delicacy of the work; but I am not personally acquainted with the processes of making machinery.

1849. Do you think it probable that large manufactories will be established at Calcutta or other parts of India for the sole purpose of making machinery of a highly-finished description?—I think that will depend in a great measure upon the success of the Gloucester mills. Parties at present are scarcely likely to venture on such establishments, till they see whether the making of cotton twist or piece-goods in India becomes a profitable speculation or not. The Gloucester mills have a foundery attached to them.

1850. Will not much depend upon the quality of the cotton grown in India? Is not the cotton grown there of an inferior quality to that which is principally used in the manufactures of this country?—Unquestionably; but cotton may come from America to India; it has come in small quantities, and the cotton of the country has improved in some degree, and may improve more.

1851. Where is it in India that the wootz is principally manufactured?—On the coast.

1852. On what part of the coast?—I believe at Porto Novo; and somewhere on the Godavery there are native manufactories, but I am not quite certain as to the place.

1853. What is the extent of the coal-field at Burdwan; has that been ascertained?—No, the limit has never yet been ascertained; it is very extensive, quite extraordinary.

1854. In what direction is the field?—It is working now chiefly east and west; I think the field runs in that direction.

1855. What is the extent of the district possessed by the house to which you belong?—We have about four miles. The seam we are now working is very thick, about nine feet.

1856. Have you ascertained by a perpendicular shaft how many workable seams there are?—We have passed through a seam of about two feet; it was near the surface, and we did not think it good coal. The seam we are now working is about 90 feet below the surface.

1857. Does the seam extend nearly horizontally?—Yes; we have hitherto had no danger from fire-damp.

1858. How do you get rid of the water?—We have a small steam-engine there; it pumps the galleries out in about half an hour; it is principally rain-water.

1859. Has the coal proved good for all purposes in the manufacture of iron?—Not so good as English coal; the best kind of English coal I think better.

1860. Have you ever made coke?—We have; but it has been with difficulty. A gentleman more conversant than I am with the actual qualities of coal, gave it as his opinion that we should, by going a little lower, get a quality equal to any in England.

1861. Is it a cakey coal?—No, it burns to an ash.

1862. Did you ever turn your attention to the means of getting coal from New South Wales?—No, never.

1863. Do you think that has attracted attention in Calcutta?—No, not at all. We have another coal-field, nearer Calcutta, on the banks of the Hooghly. We have lately established a sugar manufactory on the West India process, and we found a vein of coal near the spot.

1864. How far from Calcutta?—It is at a place called Merzipore, about 40 miles from Calcutta.

 1865. What

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1865. What is the thickness of the seam?—That I am not acquainted with with certainty; it is about two feet, I think.

1866. How near the surface is it?—Close to the surface.

1867. Does the coal extend over a considerable tract of country in the other place?—Very considerable; there is a chain of hills and forests, which I have no doubt connects it with the new mine, though they are 150 or 200 miles apart.

1868. In the event of any great demand for coal for the working of steam-boats or steam-engines, would it be possible to improve the water navigation to bring it at a cheap cost to Calcutta?—If the coal-field I have latterly alluded to be as good as that we have worked for some time, there is a water conveyance, as it is on the Hooghly, which can be navigated at all seasons of the year; but I have heard of it only lately, and cannot speak to it particularly. In erecting the sugar-mills and in turning up some of the soil, they found surface coal appearing, which led to further inquiries.

1869. You have stated that there are about 30 or 40 mercantile houses now in Calcutta; how many of them do you suppose government could safely have bills on to a considerable extent, without having the security of goods?—I think there are very few that they could not; and there is little or no distinction between the credit of houses which have been more recently established, and of those which have been established for a longer period.

1870. Do you think there are 30 houses whose bills could be taken prudently if offered?—Perhaps from 20 to 25.

1871. Without any security but their own credit?—Yes; trade in all times and places involves some risk, but not more there than elsewhere.

1872. Suppose that the government found there was some difficulty in procuring from the mercantile community the bills they required, or that there was a combination among the merchants, how would they, if they were not previously prepared for such a case, get bullion sufficient into their own hands to meet their wants?—I conceive they must have the bullion in their possession in order to buy the bills; therefore that if they could not get bills on terms they might think advantageous, they would remit the bullion.

1873. That is supposing government to pay for the bills in bullion?—Yes.

1874. If the authorities at home were to draw bills on the Indian treasuries, and were to dispose of those bills in the English market, as one means of facilitating the remittances from India to England, do you think such a mode of remittance could be made use of to any considerable extent?—I think that if the restrictions were taken off the resort to and residence of Europeans in India, it is probable British capital might be transferred to India; in that case they certainly would be able to sell bills on India, as a mode of furnishing that capital in India.

1875. Do you not think that if such a mode of facilitating remittances was to be generally used, capitalists in England would be found to be regular purchasers of the bills, as a means of promoting the trade of individuals, and that it would become a branch of banking?—I think that would be a good deal influenced by the object to which I alluded. I do not think there would be any great demand for bills on India in this country, unless parties were desirous of transferring capital for the purchase of lands or other permanent investment in India.

1876. Is it not probable that individuals who want money in India would have letters of credit, as the Americans have in some instances?—That would depend of course on their calculations how they could do it cheapest; I do not know that in some cases it might not be more advantageous for persons in London to get a bill on the Bengal government than a letter of credit from an agency house; but credits have this advantage, that you do not take up money unless you want it.

1877. Taking the case of a large house like your own, do you not think that if such bills were to be had from the Company for money, they would become a regular article of traffic?—Unquestionably, for absolute remittances I think they would; they would have a general superiority in the market, from the credit of the Company.

1878. Is it your opinion that the indigo trade to Europe will much increase?—I do not think it will increase much beyond its present amount, unless there is any great increase of manufactures in this country, then indigo will become of course more in demand; but I think at present the supply of indigo is rather above the demand.

1879. Is not the Bengal indigo infinitely cheaper than the South American indigo?—

indigo?—Undoubtedly; at the present prices, Bengal indigo will drive all others out of the market.

1880. Can the growers of indigo in Bengal afford to grow it at the price it is now at in this country?—I think the better description of factories can, even at the present prices; but it will only just pay them. It will not give any profit to an intermediate person; it will only pay the planter himself.

1881. You have given an opinion upon the silk trade in your letter to the Board of Control; can you say why individuals have not established factories in places where the Company have none?—The silk trade depends upon where the mulberry tree will grow. I have not a direct knowledge of the whole country, but I think the growth is confined to certain parts of Bengal.

1882. You think that the Company have established factories in every situation where it will grow?—Yes, in every eligible situation they have a large tract of country under the influence of their silk agents. I do not know where individuals could establish silk filatures without coming into competition with the Company.

1883. If the Company were to cease producing silk themselves, and were to offer to let their establishments, do you think they could find capitalists willing to take them, to pursue the silk trade as a business?—I have no doubt there would be persons enter into the silk trade; whether they would take the Company's filatures I cannot state, for the Company have built more expensive filatures than they might wish to purchase.

1884. Take them at rents equal to their value?—The Company's filatures are on a handsomer scale of building than a private merchant might think necessary; therefore, if the Company expect interest upon their outlay, that would perhaps stand in the way; but if the rent was such as a private merchant would be able to give, I think there would be no difficulty.

1885. Take it on the principle of an establishment being to be bought at a less cost than that which will remunerate the original undertakers?—The Company's agents live in very splendid houses, which cost a great deal of money. I have a brother in the service, who is acting commercial resident at Jungypore, and the house he lives in is positively a palace.

1886. You think that the establishments in which the Company conduct their silk business, are upon such a scale of magnificence as would be ruinous to individuals if they attempted conducting their business in a similar manner?—I do not think that any private merchant going into the interior to engage in the silk trade would think of erecting the sort of houses which the present commercial residents live in.

1887. If the Company were to withdraw from the business, have you any doubt that individuals would pursue it lucratively?—I think that the price of silk might be very much reduced by private competition and private economy, and that the silk trade would be greatly increased.

1888. Within how many years is it that no impediments have been thrown in the way of individuals going out to India to pursue the silk business?—I recollect a case about five or six years ago, or longer than that, of a gentleman not being able to go out to India in consequence of its being supposed he was going to embark in the silk trade; but that is an individual case. Other gentlemen have gone out for that purpose, but have returned to England, finding they could make nothing of it.

1889. Must not the circumstance, that only a few years have elapsed since impediments have ceased to be offered to individuals going to India, be considered one of the reasons why they have not engaged in the silk trade?—I think it may have prevented other persons going out.

1890. It is acknowledged at present that the Company's silk is better than that imported by individuals?—Unquestionably.

1891. Do you think there is any danger of its deteriorating, if it fell into the hands of individuals?—I think not; the price depending upon the care which the individual exercises in the production.

1892. Has it not often happened that quantity, instead of quality, has been the great object of speculation?—No; I am not aware that that is the ordinary principle in any mercantile speculation. In silk, too, I consider the quality of great importance.

1893. What do you think would have been the effect in this country on the state of the manufactures of cotton or woollen, if the government had engaged in them;

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do you think it likely that those manufactures would be in a state of greater perfection than they are now, when they have been left entirely to the enterprise of individuals?—I am of opinion that all government interference is prejudicial. I do not think that a government can devote sufficient attention to such concerns.

1894. With regard to the trade of Calcutta with the East Indian Archipelago, can you state the present amount of that trade, and whether it is susceptible of any increase?—I cannot state its amount without reference to documents. I do not think there is any increase likely to take place between Calcutta and the Archipelago; it is likely rather to fall off, because there is a direct communication between England and those ports.

1895. Of what did the exports from Calcutta consist?—They used to consist of British manufactures sometimes, and the lower description of Indian cloths went down to Java in considerable quantities, but those are all getting intercepted by the British manufactures; there was also opium.

1896. Do you think, from what you know of the state of the native manufactures of China, there is a prospect of the British manufactures entirely superseding them, either by means of a licit or an illicit trade?—I have no doubt that the British manufactures would drive the China manufactures, or a great portion of them, out of the market, if greater facilities were afforded to persons trading there. In the article of cotton twist sent out to China, there has been a growing demand, and one proof of its being very acceptable to the consumers is, that the Chinese spinners have become very jealous of it, and have tried to destroy it wherever they can find it.

1897. If the British were allowed freely to navigate those seas, have you any doubt that a considerable trade in British manufactures would be carried on, whether the government allowed it or not?—I believe the Chinese are a very commercial nation, and that, in spite of obstacles presented by their government, trade would be carried on.

1898. Is it not peculiarly a weak and corrupt government, and unable to enforce its fiscal regulations?—Judging from the effects of its prohibitions thundered out against the introduction of opium, I conceive that is the case. There is a great contradiction between its principle and its practice.

1899. Why have not the Americans, who are free, pushed this commerce to the large extent to which you think it might be pushed by the English?—I believe that the Americans have pushed it to a very considerable extent, and to an extent to our disadvantage.

1900. Are you not aware that the American trade has of late years been decreasing?—Yes; but then I attribute that to the cessation of hostilities in a great measure. At one time the Americans had the whole of the trade; when we were at war with France and the Continent, the Americans carried on the whole trade between Europe and China.

1901. Are you aware whether the Americans trade to any other port besides Canton?—I think that some of their ships have been to the northward, but I am not quite sure.

1902. Have they traded with any success?—I cannot say; I merely infer that they must trade successfully, for there are American houses at Canton possessed of very large capitals.

1903. Must not this enter into one of the reasons why the British can carry it on better than the Americans, that if the present prohibitions were removed, the greatest market for tea in the world would be opened to the British, namely, the home market?—Certainly.

1904. Would not that tend to give a lift to the trade?—Certainly.

1905. What amount of trade is carried on between Calcutta and Bancok?—I cannot speak positively, but not much.

1906. Have you ever been connected in any mercantile transactions with the Siamese?—No, our house has not.

1907. Are any metals or minerals imported into Calcutta from Siam?—I rather think there is an importation of tin, and I think copper, to a small extent.

1908. Any of the precious metals?—There has been gold-dust.

1909. Are they jealous of the British intercourse?—I have no direct means of knowing that. We have lately had in Calcutta two large vessels from Cochin China, who came up with cargoes of sugar, but they could not find a market for it, and they returned with their cargoes. These were the first ships I ever saw in

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Calcutta with that flag; they were very anxious to purchase one of the small steamboats to take back with them.

1910. Supposing all restrictions on the trade with the East to be removed, what do you think would be the principal channels into which the trade with India and China would fall?—I think traders would take out manufactures to India or to China direct. If they took them to India they would there take in opium or cotton for China, and the same vessel might immediately come with a return cargo of tea to this country.

1911. Are not the greatest impediments thrown in the way of a beneficial trade direct between this country and India, in consequence of a direct China trade not being permitted?—The greatest difficulties.

1912. Are you at all acquainted with the local trade of China?—I have never been in China; I only know it as between Calcutta and Canton.

1913. You cannot from personal knowledge give an opinion whether it would be probable that disputes would arise, or whether the trade would go on with facility?—Persons that go from Calcutta to Canton do not appear to create any disputes with the Chinese.

1914. Have not the commercial transactions of Calcutta gradually extended of late years?—Yes, they have very much increased.

1915. In proportion as they have extended, have you observed an increased disposition on the part of the natives to engage in them?—Yes; I think the natives of Calcutta are becoming every day more desirous of entering into commercial speculations.

1916. Do you think, in the present state of the world and of commerce, it is likely that any country like China, if it wished to prohibit intercourse with Europeans, could successfully do so for any long period?—I imagine not. In spite of every restriction the Chinese government might wish to impose, trade would still force its way into China by some channel or other.

1917. Why do you suppose that the Chinese might not impose restrictions in the same manner as the French do, and the Americans have done of late?—The reason I do not think they would do so is, that the greater portion of the Chinese people would find so decided a benefit in getting our manufactures instead of their own, that they would successfully remonstrate with their own government against imposing restrictions, or evade them.

1918. Would there not be equal benefits to the French and Americans, from their having manufactures cheaper?—I believe there is a great body of Americans who object very much to the tariff imposed, and that it is likely to be done away with in consequence of such objection. But national considerations or prejudices not unfrequently oppose correct commercial principles, and the influence also of one portion of a people may deprive another of commercial benefits.

1919. In spite of the difficulties interposed by the Americans, do we not find the means of selling goods or produce in some way, to purchase from them their raw cotton?—I believe the effect of the tariff has been not so destructive of the British manufactures as was contemplated, and that immense quantities find their way there. It is still advantageous to buy them.

1920. If we are able to find produce or manufactures with which to purchase cotton in the United States, is it not probable that we shall find there is some produce or manufactures wherewith we shall be able to purchase the tea of China?—I have no doubt that some manufactures or produce will find their way to China to enable us to purchase the tea.

1921. Is not opium an article which, from its great value in comparison with its bulk, is exceedingly favourable to a smuggling trade?—Exceedingly favourable.

1922. The use of opium having once been established to so great a degree in China, do you think it probable it will ever decline?—No, I conceive the consumption of opium will always increase; it is a taste which is likely to increase the more it is encouraged.

1923. What amount of commercial transactions is carried on by the Americans with Calcutta?—The exact value I cannot of course say, but they have from 15 to 20 ships every year in Calcutta.

1924. Of what does their trade consist?—They generally bring out either bullion or bills, and sometimes manufactures; sometimes British and sometimes their own manufactures; a few odds and ends, small matters to no great amount, but things they produce or manufacture; and they take back indigo and silks, and a great deal of saltpetre.

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1925. For what country do they generally clear out on leaving Calcutta?—The greatest proportion for the United States; but sometimes they clear out for the Mediterranean, and sometimes for some of the northern ports of Europe.

1926. Do they clear out for China?—They do not go from Calcutta to China.

1927. Has there not of late years been an increase in the French shipping employed in the indigo trade?—A very considerable increase in the ships under the French flag.

1928. Are you aware whether that is referrible to any other cause than the treaty of navigation between this country and France?—I believe it is principally owing to that treaty the French can purchase their indigo in Calcutta cheaper than they can introduce it from England.

1929. Do the French as well as Americans principally deal with native houses for the purposes of agency?—No, the French deal with French houses chiefly; there are French houses in Calcutta.

1930. Why is it that the native houses are able to do business cheaper?—I can scarcely call them houses, they are rather brokers. There were two natives of Calcutta, one whose name was Ramduloll Day, who is now dead, and who left a very large fortune, having commenced business as a sircar on four or five rupees a month. He left 300,000*l.* or 400,000*l.* He was a Hindoo, and was brought up as a clerk or sircar in the house of Messrs. Fairlie and Company. He there picked up habits of business, and became a broker upon his own bottom. By some introduction to the American captains, he got the management of their cargoes. It is usual when a vessel comes to Calcutta to employ a native to find things for the use of the crew, &c.: he began in that way, and the American captains found he could buy their cargoes for them on better terms than they could get them from the established houses, and he consequently engrossed a great part of the American trade with another native, Ram Chunder Mitter, who, I believe, is also lately dead. The Americans will now have to employ Europeans, unless there are other natives who have succeeded the two I have mentioned.

1931. Was Ram Chunder Mitter a Hindoo?—Yes.

1932. Are not the French great consumers of indigo?—Yes, their consumption has lately very much increased.

1933. As this country would not permit the products of India to be brought here in French vessels, the French would not therefore allow the produce of their country to be conveyed in an English vessel; is not that the sole cause of the increase of French shipping which has taken place in that trade, since under the arrangement it became necessary for them to employ some other than British ships in order to fetch their indigo?—I attribute it almost entirely to that cause. The French ships import a great quantity of wine into Calcutta. There is an additional duty however on indigo brought into France *viâ* England.

1934. The export of wine to India appears to be an increasing trade; do you conceive that the consumption is wholly European, and that there is no disposition on the part of the natives to consume wine?—I believe they consume a great quantity of wine in Calcutta, certainly.

1935. Do they elsewhere?—To a certain extent in the interior; but the natives in Calcutta of course, from their being so much more with Europeans, are divested in a much greater degree of their prejudices and habits than others. I heard from a native shopkeeper in Calcutta, who is one of the largest retail shopkeepers, that his customers for wines, and brandy, and beer, were principally natives.

1936. What should you say was the favourite wine among the natives?—Champaigne.

1937. Formerly they did not consume any wine?—Very little, I believe.

1938. Is it not contrary to their religion?—I do not know whether it is contrary to their religion, but it is contrary to their habits; I believe not contrary to their religion. It is not done openly, but when done it is a violation of their custom rather than of their religion.

1939. In your letter to the India Board you state, with regard to the restrictions placed upon the government of India, preventing their making to mercantile houses advances of money, that such restrictions were placed by the Directors; have you any authority for stating that your representation of the mode in which it was done is correct?—Only from what appeared in the examination of Sir Charles Forbes; I have referred to that in the margin, that is my only authority.

1940. Are

1940. Are you aware that Sir Charles Forbes had no official mode of getting at the facts?—That of course I am not acquainted with; it struck me as a very extraordinary circumstance, as he stated it; and I have no hesitation in repeating that it appeared to me there must be some misapprehension.

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Jovis, 29° die Martii, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

George G. de H. Larpent, Esq. called in; and Examined.

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1941. DO you mean, by your statement in the paper you have laid before the Committee, that the trade to China should be laid open to the public, or otherwise?—It is taken for granted in the statement, that the China trade is brought under individual management, and thrown open to individual skill and enterprise. I take the amount to be provided for in India for remittance to England at seven millions, and that recourse must be had to a combined operation with China, for the purpose of bringing that sum home. That the machinery which now exists of remitting back the 1,500,000 dollars from China to India would be saved, and that those very dollars would be sent direct from China and placed in London for the purpose of paying the territorial charges here, whoever may govern India.

1942. Is it your opinion that under those circumstances the Company should lose the supply of tea for the home market?—I am not prepared to say that the agency of the Company in the China trade should be altogether dispensed with, but I think that every possible facility should be given to private trade, consistently with the existence of the trade with China not being endangered by the peculiar jealousy of the Chinese; and referring to the exclusion from Japan, a country somewhat similar, I doubt whether the agency of the Company should not be used in the purchase of the teas. The Company's factors might, through the Hong, purchase the tea on a rated allowance per pound or a per-centage; and I have not the least doubt but that the general trade being left entirely free, merchants would purchase the tea of the Company, and that by this mode everything connected with China might be carried on with safety. The only questionable point, in my mind, is the possible collision between the private purchasers and the Chinese sellers of tea, in an entirely open trade.

1943. Your difficulty would be removed by having a body to deal with, a body such as the Hong merchants?—Yes; but with this guard, that a provision should be made in any new Act, that if it were found expedient, in the course of the period fixed for a new charter, to throw open the purchase of teas, even that should be taken away from the Company; because I conceive that a monopoly trade of any kind in the hands of the Company is not justifiable, except on the sole ground of its being dangerous to the existence of the trade itself to remove the restriction.

1944. Were you ever in China?—Never.

1945. You suppose that if there was a free trade, and every individual allowed to trade as he thought proper, there might be a chance of collision with the Chinese, and that through that we might lose the advantages of the trade?—Certainly.

1946. Setting aside the difficulty of collision, are not you of opinion that a powerful body like the Company is more likely to keep the body with which they are obliged to trade, the Hong merchants in China, in order, than scattered individuals coming each with his own cargo, and shifting and dealing merely for his own adventure?—Certainly that is my opinion. In all ordinary trades with ordinary nations, individual enterprise and skill will best accomplish the object; but considering what we have heard and known of the Chinese, and that the evidence is so conflicting, I think it would be extremely desirable to interpose in the purchase of teas a united body like the Canton Factory to negociate with the Hong. This would have a double effect; it would oppose a combined strength to the combination that exists in the Hong, and prevent an undue enhancement of price or excess of charge on the tea; and, above all, it would prevent the adulteration of the article itself. My judgment is formed solely from what I have read, or collected from oral testimony, but we must consider the nature of the Chinese government and institutions;

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institutions,; we well know that the tea is brought from a considerable distance to Canton, on the absurd principle that the accumulated charge for carriage is beneficial to the Chinese; and to retain these supposed advantages they will not allow us to go nearer to the provinces where it is grown. Then there is the same jealousy towards us that has operated in confining the Russian trade, and the Spanish and the Portuguese trade, to certain narrow limits. In short, in the China trade it is not dealing with commerce under ordinary circumstances. But what I venture to propose is the only limitation I should put to a free trade with China; all the outward trade might be left to individuals, and I should say, restrict as little as possible, consistently with safety. And if by any machinery it should be managed that the Company should trade with the Hong in the purchase of teas, the great end I have in view, security for the trade itself, might be accomplished; for there is no doubt the private trade would carry off the cargoes of teas which would be purchased, there being so steady and universal a demand for the consumption of tea in England, and a demand for remittance from India to England, which would be met to the extent of the cost of the tea.

1947. You would not propose that the Company or the Company's Factory should act as this intermediate body, if you do not leave to the Company the whole benefit of the trade, or gave to the Company some intermediate profit between the Chinamen and the trader?—My idea would be to leave a certain rated profit to the Company on every pound of tea they sold; all the present evils would continue to exist if the Company had large ships to send out, and all their expensive establishments. I should simply put the Company or their Factory between the trader and the Chinese. I think we should have a provision in the Act of Parliament to see how that worked, and that there should be a power of alteration during the charter; indeed it was one of the defects in the last arrangement that there was not a similar power given to modify some of its restrictions or provisions, according to the will of the Legislature, on certain terms with the Company. There is no just claim on the part of the Company to a monopoly, but its expediency rests purely on the danger of losing the whole trade, from individuals coming into contact with so extraordinary a people as the Chinese.

1948. Do not you suppose that the establishment of some powerful consulate on the part of the Crown, might obviate the difficulty you mention?—I should rather say, that the very danger we are now subjected to in China shows the inexpediency of such an establishment, for the collision which has recently taken place with the Chinese is to be attributed, perhaps, in a great degree, to the diplomatic character or the non-mercantile character of the present Factory; all the young men sent out are highly educated men, but their feelings are rather more alive to the honour of the country and the political position in which they consider themselves placed, than influenced by the mercantile views which ought to govern them. Whether the present establishment is the best, I cannot say; but I think anything in the nature of a consular establishment would at once bring the British into contact with the Chinese government, in which case we should be bound not to pass over insults which might be offered by the pride and arrogance of the latter, and which might ultimately produce hostility; and a war to force a trade would, I conceive, not only be exceedingly questionable in its principle, and enormously expensive, but in its result be very problematical.

1949. Are you aware that private enterprise has lately sent several ships on the east and northern coast of China, to encourage the trade, and many have been successful in their speculation?—I do not know of my own knowledge.

1950. Is it your opinion it would be wise in the Company, in remittance home from India, to take bills, taking at the same time the security of goods?—My opinion is, and it is partly founded on what has taken place since the Company adopted that plan, that it would not be operative to any great extent, except in the peculiar and distressed state of the money market of Calcutta, such as took place recently.

1951. The exchange was not above a bullion exchange, was it?—No, the exchange never can be much above a bullion exchange.

1952. Was it equal to a bullion exchange?—Yes. With regard to the state of the remittance trade of the Company, and the purchase of indigo as a part of it, the Company have given an unnatural stimulus to the growth of indigo, and by coming in every year to buy so largely, a higher price has been fixed than was justified by the state of the home market; and the consequence has been a great loss upon the remittance, which has been sent by the last accounts.

1953. How

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1953. How do you account for the price the Company pay being so high when it is done by public tender?—When the Company come into the market, at the commencement of the season, their wants are known; and though I cannot speak from any local knowledge, I believe it is unquestionably true, they have submitted to prices which no other merchant would have given, looking at the state of the home market.

1954. Do you think there is any combination among the merchants under such circumstances?—No, I think that impracticable; but when it is known that a public body is to come into the market for a very large purchase, the whole trade is in an unnatural state.

1955. When it is very advantageous for every individual to sell on the spot at certain prices, how does it happen that the price is kept up beyond its natural price if there is no combination?—I only account for it by the wants of the Company being known, and the extent of their purchases being accurately known. Their ships being ready, and the necessity of sending home a large supply existing, unquestionably they have raised the price of the article, and that has given an unnatural stimulus to production, so that the indigo market has been in an unnatural state, and stocks have been accumulating, whilst I see by the accompanying table that prices have been paid which must have given a loss.

1956. In your examination of the accounts, have you met with any statement or account, drawn out upon ordinary mercantile principles, of the commercial transactions of the Company, showing the progress and condition of their trading concerns?—I have not sufficiently examined the accounts to be able to give a decided answer. With reference to some parts of the commercial accounts, there is not that commercial allowance for bad debts, which would materially influence the profits, and which is taken into the calculation in every mercantile account; the accounts are so voluminous and important that no person is qualified to form an opinion upon them without very attentive examination.

1957. Do you conceive that an union of the operations of the two departments, Commercial and Territorial, in one body, ought to occasion any difficulty in the way of a correct balance-sheet being made out of the separate affairs of each?—No, I do not.

1958. Do you conceive that such a balance-sheet would facilitate the reconciling any discrepancies which at present appear upon the face of the accounts?—Yes; I know no way of getting an accurate result of the accounts but by a balance-sheet.

1959. You conceive that the discrepancies must in that way be explained or accounted for?—Certainly.

1960. Do you conceive that a correct judgment can be formed of the accuracy of the financial statement or the financial condition of each department, without a balance-sheet of the whole or of each side separately?—No; I think the fair result of any matters of account can be obtained only by a balance-sheet, for without a balance-sheet we are always liable to great deception; one of the plainest and most unequivocal principles of accounts is to deduce every thing to a balance-sheet, and then every debtor has his creditor, and the final result would be made apparent. Persons may puzzle themselves upon these figured statements for years; and the proof of that assertion is, the difference in the accounts of Mr. Langton and Mr. Melvill and Mr. Rickards, all working upon the same materials.

1961. Ought not the balance of unappropriated commercial profit for each year to agree with the accumulation of commercial property at the end of each year; and when it does not, would not a balance-sheet account for the discrepancy?—Certainly, and in the following way: At the commencement of the operation there is a certain stock or capital with which the trade is carried on during a certain period; this stock or capital is valued when the period of trading expires, and thus it will be known whether in the intermediate process there has been loss or gain, or how much has been lost or gained.

1962. You state in your paper that stores might be supplied in India by contract, and that the government in India might obtain them on better terms?—I find that as our Government want stores, from Russia for instance, so we purchase them by contract; and so might the Indian government, by a contract with a merchant in Calcutta, order his stores through his correspondent in London, and with proper securities the stores would be furnished at a certain time, and probably at a cheaper rate than the government themselves might furnish them.

 1963. How

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1963. How would you supply great guns and shot, and things of that kind, by contract?—I cannot immediately say how I should cast about to do it, but I have no doubt that they might be obtained here when once the demand was fairly made; I think there is no difficulty in supplying them either in India or here.

1964. The East India Company contracted lately with a house of large means, that the guns when sold to them here should be sent to Woolwich to be proved, and the whole of them burst; suppose those guns had reached India at a time when guns were greatly wanted, and the same had happened, how were they to be supplied under those circumstances?—In an exigency of that kind, there can be no doubt that an application from the private contractor to the British Government to have the guns proved would have been granted, and thus the same results would have followed as in the case alluded to. I suppose that the contract is made through the medium of a house in London, in the same manner as the Company do it now. If the government in India wanted certain articles, they would advertise for them to be delivered through the medium of *A. B.* in India at a certain period; the contractor would employ his agent in this country, and it would be the business of the agent to send them out.

1965. How are the government there to see in this country that the goods are fit for their use before they leave this country?—The contractor would certainly see to that, and it might be provided that the guns should be tried in this country and then sent out, and that the contract should not be completed without an Ordnance certificate of their proof. I am sure that there would be no difficulty in all the orders for military stores being supplied on as low terms as they are at present, and quite as efficiently.

1966. Upon what grounds do you think that the papers placed before the House of Commons, relating to the debts on the silk account, are not correct?—My reason for believing it is, that in all business requiring advances to be paid before the article is delivered, there is considerable loss. I know in the case of a private adventure, which required also advances, and was in competition with the Company in silk, the losses were large. My opinion is, that the account ought be made up with the regular Factory charge, with the market rate of interest, with the full commissions, and with the amount of the bad debts which arise from the advances, carried to the debit of the silk account; and when I look back to see what allowances have been made for the doubtful and bad debts connected with the silk business, I find there is a return giving only 15,000 rupees, which is so decidedly below what I conceive must be the case, that I cannot have any faith in that account.

1967. Do you find any account of the capital laid out on the establishment and machinery?—I have seen none at all; and it appears essential to forming a correct judgment of the actual cost of the silk, to obtain information as to what it there actually stood the Company in; without having an account of the bad debts, and every charge and expense included, the cost cannot be ascertained.

1968. Do you think that if the Company proposed giving up their silk factories altogether, there are individuals or bodies of individuals who would be inclined to take them?—I have no doubt there would be, if the Company went out of the trade altogether. Silk has increased so much in consumption at home that capital in India would be invested in its production, as has been the case with indigo; indeed it would be very desirable to have another article in which capital would be profitably invested.

1969. Is the Company's silk better in quality than that of others?—It generally is; others have been advancing up to the Company's, but their's is still the best.

1970. Do you think there would be any fear of its losing its character, in case of the Company giving it up?—I think not.

1971. Do you think that the indigo trade could be carried further than it is at present?—On the contrary, I think it is carried to excess now.

1972. It supplies the whole of Europe?—It does, very nearly so.

1973. Can you state to the Committee any article of Indian produce, the consumption of which you think would be materially increased by opening the trade?—I consider the trade as practically open now, except indeed in such particulars as connected with political circumstances. I mean, for instance, how far residence in India may be permitted. There is no impediment to carrying on trade freely with India; the only existing evil is the Company trading themselves, as they do not trade on the ordinary conditions of profit and loss. I am perfectly aware that the Company do not trade now as merchants, and that the only trade that they

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cling to is a trade of remittance. The impediment thrown in the way of respectable persons going out to India, under the present state of things, opens another wide field of discussion, how far it may be proper to allow Englishmen to go into the interior, and whether respectable individuals with capital will be induced to go with the present law of deportation existing, and whether it will be safe to remove it; these questions are all connected with the political state of India, into which I will not enter. There are other smaller matters of fiscal regulations, but I know no grievance we have to suffer under the administration of the Company, in trade with India.

1974. Do you not think that the exclusion of individuals from the China trade prevents the general trade of individuals going into those channels into which it would fall, if the trade were thrown open?—I have stated my general views on the China trade already; I still entertain the opinion referred to before, namely, that the trade to China should be as free and open as possible, with the only limitation arising from the peculiar nature of the Chinese, the apprehension of collision with the Chinese, and perhaps the advantages to be derived from having an intermediate body to deal with in the purchase of tea, in preserving it from adulteration.

1975. The houses engaged in the trade with India do not find any hindrance, or persecution or molestation of any sort, from the Company's authorities?—None that I know of; at the same time, where the Company have, as in the case of their silk factories, mercantile establishments, it was exceedingly difficult for an individual to enter into competition with the Company, until some late regulations were adopted, which originated from a very strong memorial being presented to the Board of Control, and by them to the Company. These representations received due attention from the Company, and in consequence directions were sent to India to provide against the abuses, arising from the right of pre-emption enjoyed by the Company, and the advantages they possessed in obtaining the priority of payment of their debts over every individual, where the Company and individuals had made simultaneous advances; the government in such cases swept away the whole property. Nothing could be more correct than the views the Company entertained, and the regulations adopted in consequence, but still there is a deference paid to the Company, arising out of their union in India of the character of sovereign.

1976. Have not the purchases of indigo made by the Company occasioned fluctuations in price which have been very ruinous to individuals, although it may not have been the intention of the Company, by means of their purchases, to injure individuals dealing in it?—The best way to answer that will be to put in a statement, from 1821 to the present time, of the amount bought by the Company, in maunds, the price, and the stock in London at corresponding periods. I have also put down the rates at which indigo purchased at those prices stood in London, and the prices which the Company obtained; in order to show that no mercantile establishment would ever have dared to continue to give those prices in the face of such an accumulation of stock and such a state of the market, and that it is the connexion between the Company and the government in India that has kept up the price there unnaturally. When the Company went out of the market, and declined purchasing as heretofore, which they did in the year 1830, the depression in price was so great as to be ruinous to many individuals.

[*The same was delivered in, and read, as follows:*]

INDIGO.	Mds.	Price.	Stock in London, end of the Year.
In 1821–22 the Company bought	3,553	234	1822 - 8,200 Chests.
1822–23 - - - -	9,287	312	1823 - 13,100
1823–24 - - - -	6,963	277	1824 - 12,200
1824–25 - - - -	14,295	282	1825 - 16,400
1825–26 - - - -	17,202	231	1826 - 22,300
1826–27 - - - -	16,145	276	1827 - 22,800
1827–28 - - - -	26,566	264	1828 - 31,100
1828–29 - - - -	11,159	270	1829 - 31,200
1829–30 - - - -	29,582	193	1830 - 37,600
1830–31 - - - -	- -	- -	1831 - 35,700

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INDIGO.	Average of Company's.	Average Price of Indigo per chest.
At 234 Rupees per Maund, say at 2*s.* -	7/10 per lb. - - - 1822–23 - 10/2 ¾.	During 1822
312 - - - - - - - -	10/5 - - - - 1823–24 - 9/4.	£.90 - - 1823
277 - - - - - - - -	9/2 - - - - 1824–25 - 11/5 ¾.	100 - - 1824
282 - - - - - - - -	9/5 - - - - 1825–26 - 9/1 ½.	140 - - 1825
231 - - - - - - - -	7/8 - - - - 1826–27 - 8/9.	110 - - 1826
276 - - - - - - - -	9/2 - - - - 1827–28 - 7/5.	80 - - 1827
264 - - - - - - - -	8/8 - - - - 1828–29 - 5/3 ½.	70 - - 1828
270 - - - - - - - -	9/0 - - - - 1829–30 - 4/3 ¾.	55 - - 1829
193 - - - - - - - -	6/5 quantity on hand	45 - - 1830

Average production from 1812 to 1821, 10 years, average, say 24,890 Chests.
" " 1822 to 1831, 10 d° - d° - 33,170

1977. Where an individual trades for profit, would that circumstance be a check upon the prices which that individual is willing to give; but where a sovereign power trades through means of its agents, and profit is not made the primary object by those agents, would not, of necessity, the prices given be higher by a competition being raised, which would not take place under other circumstances?—Experience proves that entirely, in every respect. I believe as little has been done of late by the Company as possible, for their whole object latterly has been to trade for remittance, and not as a commercial body.

1978. Injury may be done to individual merchants and manufacturers, in the manner stated in a former question and answer, even though such injury might be unintentional on the part of the Company, may it not?—Certainly.

1979. The question, whether the Company has made sacrifices in its commercial character for the purpose of remittance must be tried by the statement of the result of commercial transactions, whether a profit and loss upon those different articles has taken place: if it should appear, for instance, that the Company had made a profitable business in indigo, or in silk, or in any other article, that would be a proof that that adventure has been conducted with commercial prudence, setting aside the value of the transaction for any purpose of remittance?—There is no doubt that the proof of the prudence of the Company's trading must depend upon the out-turn of the different articles purchased by them. The former question, however, had reference to the existence of the Company as a trading body exercising the functions of government; and it was contended, that though the trading might bring the rupee to England a little above the ordinary rate of exchange, it was an unfair advantage which the Company possessed, by trading, as they did, with the revenues at their back, and an injustice to the mercantile adventurer there. Whether the Company had or not traded on sound mercantile principles must be put to the test by the result; but that result must be most carefully analysed, the accounts being made out upon commercial principles. On the face of the account it will appear, for the last five years, there has been a considerable loss both on indigo and silk.

1980. If you divide the period of trading in silk and indigo into two periods, does not the latter show a very considerable loss as compared with the former?—It does during the last four years.

1981. Even in the former instance ought not some correction to be made on what the Company appear to have realized on every rupee, depending on the depreciation of the currency in this country?—I should be satisfied as a merchant if I had got, by a remittance on indigo, 2*s.* 10*d.* for my rupee, which when the indigo was shipped

shipped was not worth there more than 2 *s.* 3 *d.* *That* only can be fairly taken as profit which is the excess in the result of the shipment beyond the mercantile rate of exchange.

1982. It might happen that they had got 2 *s.* 1 *d.*, when, in consequence of a depreciation, the exchange was 2 *s.* 6 *d.* or 2 *s.* 10 *d.*?—Certainly, to the extent of the effect of the depreciation of the currency on prices.

1983. Do you know whether much injury has actually accrued to individuals in consequence of the dealings of the Company in the article of Indigo?—I consider the present state of the indigo trade to result from that circumstance. The ruin of many factories, and the necessity of curtailing others, to reduce the production more nearly to the level of the consumption, will certainly be attended with much individual distress.

1984. Has the quantity which the Company have purchased of late years varied much?—The Company purchased and shipped to Europe in 1829–30 not less than 29,582 maunds.

1985. What quantity did the private trade send in the same year?—The whole produce that year was about 130,000 maunds, and I suppose about 80,000 came to this country.

1986. Supposing out of 80,000 maunds shipped to this country, 29,000 only are sent by the Company, and 51,000 by the private trade, why should you impute the over-trading to the Company, who are the smallest dealers, and not to the private trade, who have been the largest?—The Company being great buyers, fix the price when they go into the market in the early part of the season. Those parties who want remittances to pay the bills drawn for savings, home expenses, and returns for goods, must buy indigo at nearly the same prices as the Company, and the loss falls partly on the persons buying bills, as the exchange is fixed in some degree with reference to the out-turn of the goods, and partly on the sellers of the bills; the power of remitting home the rupee itself being the limit to the rate of exchange; and the rest of the indigo is shipped not on private speculation, but by those different houses who are the agents of the manufacturers, who support them by advances, and who must themselves take the consequences of profit and loss upon the produce, subject to what the owners of the factories may themselves be able to pay. Hence the continued over-production and the accumulated stock, which is now 35,700; a proof that the trade has been most improvidently carried on in the face of a very large stock and of a depressed market. In 1830 the Company saw their losses were accumulating, went out of the market, bought very little indigo, and advanced upon indigo consigned to this country, taking the bills of the merchants, secured by bills of lading.

1987. If the Company had not been purchasers of so large an amount in a particular year, would not that equally have come to this country by the private trade, and would not the market have been equally overstocked?—Yes; but the attempt of my argument is to show that the Company, by going into the market every season, and giving high prices, have produced the excessive quantity of indigo by that stimulus to production which would not otherwise have existed, because no merchant could have so gone on from year to year; and it is because the Company have been able, with resources not affected by the ordinary calculations of profit and loss, to go into the market, that there has been such a stimulus given to production.

1988. If the interference of the Company had the effect you suppose, of uniformly setting up the prices, would not that rather have deterred private adventurers from making simultaneous purchases, and would not that discouragement of the private adventurer have been the natural remedy for the over stimulus of which you complain?—The other shipments were either on account of the factories, to repay the advances of the houses of agency there, which being already incurred, and the indigo not saleable in India, it must be sent to a market that they may be repaid by the returns. Then there is a demand for about a million and a half for the private fortunes and expenses of the servants in India, and charges of that kind. I take that to be the amount of the private bills drawn by the different houses in India on England; and lastly, the demand for returns for the private outward trade, that must be made in some way or other, and it also comes in this indigo.

1989. The houses of trade in Calcutta, and the houses of agency in London, are all anxious that the Company should cease to trade?—It was the unanimous opinion of the London Merchants that it was desirable that the two departments

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should be separate, and that the Company should not trade; they were all convinced, many of them having been in India, of the incompatibility of the two characters, and the inconvenience the trade suffered from the union.

1990. Do you understand that to be equally the opinion of the commercial body in Calcutta?—I cannot so positively answer that question, not having ever been there.

1991. Are you not of opinion that the commerciel houses there would benefit largely by a restriction as to trade being put upon the Company, and more particularly if the Company were obliged to pass through the agency of those commercial houses, as well for purposes of remittance as for the purchase of government stores?—I should think such a separation certainly would tend to increase the business of the agency houses there, and of the commercial body generally; but it is desirable, not so much upon the ground of increased advantages to those parties, as it is by removing difficulties and evils which I think are inseparable from the mercantile body coming into competition with the Company, having such considerable revenues at their back, and not trading on the usual principles of profit and loss. I do not think it desired by the merchants so much under the idea that they shall benefit by it, as from its ensuring the removal of the evils which they feel.

1992. What number of houses, which you should consider houses of good credit and respectability, exist in Calcutta?—The number of commercial houses in Calcutta is considerably increased. The usual practice is to consider about 10 houses in Calcutta as houses of undoubted character and extensive connexions and means. The number of establishments altogether is larger.

1993. How do you think the Company could procure the bills they want in India to remit to the extent you have stated?—By tender.

1994. How would you decide as to those bills which were to be considered good, and those to be considered as indifferent?—There is a difficulty in attempting to enter into the details of what may be required in adopting a new system. I am hardly able to say what would become the practice, but I have no doubt, if it were left to the agency of commerce to make remittances to this country, on the one hand checks would be instituted by the government, and on the other securities afforded by the commercial body; but I cannot off-hand state what the Company would exact, or the merchant would offer; a great deal would depend upon the local arrangements; but with due vigilance, and under a fair exercise of competition, both parties would, I have no doubt, be able to accomplish the object.

1995. Would not all the difficulties you have stated to arise in India from allowing the Company to trade in indigo operate against individual traders, if the Company were allowed to be factors-general of teas in China?—They would, under that supposition, have the monopoly of the supply; but it is to provide and guard against one particular evil in a very extraordinary and very anomalous trade that I made the suggestion. I cannot satisfy my mind that we are quite safe in throwing the old China trade open altogether immediately; but how far my plan, or any other which may be adopted, will operate, time alone can develope. I wish the restriction to be the very minimum consistent with the security of the trade.

1996. Do you contemplate that under such an arrangement the Company is to receive a profit on such transactions?—It will receive an agency commission or a profit per pound on sale.

1997. Do you contemplate a profit at all proportionate to what they now receive?—No; sufficient to compensate for the expense of their Factory and their agency.

1998. Will not this interfere with the fall in prices which may be expected if individuals trading to China are allowed to conduct their transactions in their own way?—I know the suggestion to be indefensible on general principles, and I should say it is also a doubtful measure; but at the same time I feel great difficulty in conceding that we can with China altogether permit an entire and unrestricted trade, both as regards the probable adulteration of the article, and our possible total exclusion from the country. I feel that the China trade is altogether peculiar; that it has grown up in a peculiar manner, and that it might be put an end to altogether by the Chinese government in a moment of pique or pride. It is an evil to have a restriction of any kind. It would be infinitely better to have the trade unrestricted altogether; but I feel a hesitation in saying that I am quite satisfied that we may go so far at present as to dispense with the agency of the Company in China.

1999. Would

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1999. Would it not be better to defer introducing such a system, which is a great evil, till it is ascertained that it is necessary to make use of such machinery?—I should invert the process. I should go on softly and slowly at first; and if I found that no evil took place from the enlargement of the trade under the new system, under a power which I think ought to be reserved by the Legislature, even that restriction which I contemplate might be taken away. It is possible, by the other process, that we might be driven out of China altogether, and then we should have to reconstruct the trade.

2000. If such a regulation were to take place, would not the East India Company be a party interested in continuing to throw impediments in the way of the private trade, and is not your plan on that ground objectionable?—The trade of the East India Company would be closely allied with that of private traders; it would be the object of the Company's Factory to give the latter every facility in their supply and general trade.

2001. Would they not be a party interested in preventing the trade going through any other channel but the channel of the Company itself; and can you expect that if there is a great and powerful company interested in confining the trade to flow through their own particular channel, the period will ever arrive when the trade of individuals not flowing through the channel of the Company will be freed from impediments?—There can be no doubt that it will be the interest of the Company to perpetuate their agency in the trade of China under the proposed plan; but while so many interests are awakened to the state of the China trade, such bias or tendency will be kept in check by the private merchants. The misfortune of determining the question at the present moment is, that we now come to the inquiry without that extent of information which it requires; and what knowledge we have comes through suspicious channels on both sides. I would proceed cautiously towards that which I hope the trade will attain, an entirely open and free trade.

2002. Supposing the Company now to derive a clear profit of 20 or 25 per cent. on their adventure in tea, and that by an open trade the tea were reduced to that extent in price in this country, is there anything to prevent the Chinese government, if not looked after by some vigilant body there, putting on an equivalent duty upon the export of tea, if they were so advised; and would they not in fact be able to levy the whole amount of that profit which the Company now make on the consumer in England?—They certainly might. Throughout my argument, I have proceeded on the belief that the trade in tea is much more advantageous to the Company, and through the Company to this country, than it is to the Chinese, and that they might risk the whole of it by putting a large duty on the export of tea, and thereby levy a heavy tax on the drinkers of tea in this country. This is one of the evils I foresee in dealing with a nation so peculiar in all its commercial transactions as the Chinese, and which would hardly apply to any other country.

2003. Is there any instance of their having imposed a tax upon their exports, which you are aware of?—I am not aware of any.

2004. Do you contemplate that under those arrangements of the Company being factors-general for teas sold to the British at Canton, that at the same time British individuals shall be allowed if they please to carry on a smuggling trade in tea along the coast of China with such persons as may be willing to deliver it to them?—I contemplate very little alteration in the trade from that which exists at the present moment, as far as the supply of tea or the purchase of tea are concerned.

2005. Would you allow the smuggling trade along the coast of China to go on at the same time that this trade goes on at Canton through the hands of the Company only?—I certainly would not allow a smuggling trade, because that might bring us into that very collision with the Chinese which I fear; and therefore all the operations in the purchase of tea ought to be conducted at Canton. There ought to be one mode only of getting tea out of China, or the Company would not be able to carry on their purchases with any certainty of a sale.

2006. Do not the facilities afforded by the great extent of the coast of China, and the knowledge that great part of the tea grows in the northern provinces, and the facilities of smuggling on the coast of China, interpose a check upon the Chinese, if they were so disposed, in laying on a very heavy export duty?—I think it will not be safe to trust to the smuggling trade on the coast of China, either as respects the quality or the quantity of tea required for the home market; therefore, as far as my information goes, I think the trusting to smuggling would be a very short-sighted policy.

2007. Has

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2007. Has any attempt ever been made?—None that I know of, even by foreigners; and as it is illegal here to trade in tea, except through the Company, a smuggling trade in tea does not to my knowledge exist; and as I have seen it stated in publications that one of the mistaken notions of the Chinese is, that it is politic to bring teas from a distance to the shipping port, the long carriage and heavy charges being profits to China, I think every obstacle would be probably thrown in the way of obtaining tea any nearer to its growth than Canton.

2008. Why should not individuals be allowed, if they chose, to purchase it cheaper in the smuggling trade?—It is not an article to trifle with; it is an article of such extensive consumption, and producing so very large a revenue, that I think it should not be permitted to depend on smuggling, for if there be a great deterioration in the quality of the tea, the consumption in this country would be materially affected. It is the uniform goodness of the tea which has occasioned its being used almost as a necessary of life in this country.

2009. Is not your desire to confine the trade to the Company's agency founded upon your apprehension that the Chinese may possibly take measures entirely to prevent the trade; and does not your plan of prohibiting individuals from engaging in a smuggling trade in tea on the China coast tend to interpose additional difficulties in obtaining the supply of that article?—It certainly does interpose difficulties as far as respects the obtaining it through the means of smuggling, for it would be part of the plan to have it obtained only through one source, and through the Company; but this I consider as arising out of the difficulties of the case; it is a choice of difficulties.

2010. Does not the extensive smuggling trade in opium rather militate against your conclusions as to the difficulty of carrying on an extensive export smuggling trade in tea?—Yes; but the sale of an article by smuggling, and the purchasing of it for an export trade, and the shipping it, are very different.

2011. Is not the one a very bulky article, and the other an article of which a large value can be carried in a small space?—Yes.

2012. Is not opium an article of consumption, which being prohibited in China, must necessarily be entirely a smuggling trade?—Undoubtedly; but for the reasons I have stated, and particularly considering it to be the object of the Chinese to encourage the labour and increase the profits of their own people by bringing the teas from the interior to a distant port, I cannot help thinking that the government will interpose to prevent smuggling in that article.

2013. Was it not your object to counteract the monopoly of the Chinese, by having a monopoly to meet them?—Yes, under the supposition that the interposition of a body of the kind I suggested will retain the trade in a more safe and effective manner; I consider the existence of a counter-monopoly in the purchase of tea as matter of prudence.

2014. In carrying on a trade, is not smuggling a natural limitation to the duties on any article which any government may be disposed to lay?—Yes, unquestionably.

2015. Why would you take away this natural limit from a trade in an article so necessary to the consumers of this country as tea?—If we were not allowed to go at all to Canton, from any quarrel with the Chinese, the encouragement of smuggling might be the best policy: but should we trust for such an article as tea to the general smuggling trade round the coast of China; and would it be prudent to encourage it, under the peculiar circumstances, in an article of so much importance to Great Britain?

2016. Would you prevent the smuggling, or only not encourage it?—I think the Company would not be safe in their dealings unless they had the command of the supply of tea.

2017. Is it not your plan to prohibit the import of tea into any port of Great Britain or of the British settlements, except such as may be purchased at and shipped from the port of Canton, through the agency of the East India Company?—Yes, as a primary step, till we see how far it may be prudent to throw it open.

William Crawford, Esq. called in; and Examined.

W. Crawford, Esq

2018. YOU are at this time a Merchant in London?—I am a Partner in the East India Agency House of Bazett, Colvin, Crawford & Company.

2019. Were you formerly in India in the Company's civil service?—I was.

2020. You

2020. You have had considerable experience in the Company's public and mercantile accounts?—I have.

2021. In what department of the Company's service were you?—I was once Head Assistant to the Accountant-general. I have been in my time a Field Paymaster and Commissary, and subsequently I was a merchant in India; in that character I had the management of the books of a large commercial establishment.

2022. While in the Company's service were you employed in making up the accounts for this country?—When Head Assistant to the Accountant-general I was.

2023. At what period was that?—More than 25 years ago. I have been in England 20 years.

2024. Have you recently turned your attention to the public accounts of the East India Company?—I have lately done so.

2025. Will you state what course you have pursued in your examination of them?—When my attention was recently requested to these accounts, I did not anticipate any difficulty in the first and very important object of examination which I prescribed to myself, that of arriving at a correct view of the relative situation of the Territorial and Commercial branches for the period subsequent to the last renewal of the East India Company's charter, knowing as I did that timely arrangements were made on that occasion for the separation of the accounts of these departments. The scheme for that purpose, as set forth in a Return to an order of the House of Commons of 29th April 1826, appears quite adequate to the end in view. Whether the difficulties I have met with have arisen from any inefficiency in the manner of acting on that scheme, or whether they are attributable to any peculiarity in the mode of making up the official statements, it is not necessary for me to inquire, nor have I before me the means of ascertaining with any degree of accuracy. I have found myself, however, stopped short; and, for reasons which will be hereafter stated, I am forced at once to the conclusion that "the Statement of the Account between the Territorial and Commercial branches, in each year, from 1st May 1814 to 30th April 1829," professed to be drawn out agreeably to the form already referred to, does not, in my judgment, furnish the means of exhibiting a correct view of the transactions between these two branches of the East India Company's affairs. I have calculated the Statements prepared annually for Parliament, in order to have in one view the contents of the 15 separate years, from 1814-15 to 1828-29: these tables show the aggregate of debits and credits, as follow:

£.		£.
30,216,345	Account N° 1. In respect to Territorial and Political Payments made in England.	31,593,580
13,256,695	Account N° 2. In respect to Bills of Exchange drawn from India on account of Interest on India Debt.	8,694,697
—	Balance due from Territorial to Commercial Branch, for excess of payments beyond receipts.	3,184,763
£. 43,473,040		£. 43,473,040

The first object in my examination of these accounts was to see whether, as far as I might be able to apply some local knowledge of their construction and contents, they appeared to be unobjectionable in principle, and whether they seemed to contain entries of all transactions between the two branches, so as to create no reasonable cause for doubting the correctness of the balance which is exhibited. A most important omission very early attracted my notice, in the payment of 1,300,000 *l.* made to Government in part satisfaction of the loan of 2,500,000 *l.* raised for the East India Company in 1812, for the purpose of enabling them to discharge part of their East India debt, not having been brought on these accounts; the balance of which loan, as due on the renewal of the charter (and which I find stated at 2,272,623 *l.* on 1st May 1814) was, under the 52d Geo. 3, c. 135, considered as a Territorial debt. Limiting the transaction to this view of it, the omission would at first sight seem to be duly corrected by now debiting the Territorial branch; for until this item be charged, so much of the debt due to Government would stand on the Territorial account as unpaid. But the transaction is not of this limited

 character:

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character: it is connected with the adjustment made between the East India Company and Government of all accounts to the 30th April 1822; and the Treasury Minute of that time details the broad principle on which this settlement took place, it being a condition stated in it that the sums agreed to be due to the Company should be applied towards the payment of the balance due to Government of the debt for the loan of 1812, which item was not embraced in the accounts then settled. I observe in the document No. 21, professing to be a general Statement made out "according to the annual Accounts presented to Parliament," (*see* Papers relating to India Finances and Trade), that this sum is there introduced, as a payment to Government in 1822-23, to the debit of Territory; and I see that its equivalent is provided in this statement, by crediting Territory for the same amount as due to that branch on the items of the settlement then made with Government. Supposing the entries adopted into the statement No. 21, but which are not in the annual accounts between the Territorial and Commercial branches, had been introduced into the latter, still the object in separating the Territorial from the Commercial receipts and charges, would not have been fulfilled or satisfied, by *so* adopting, without further inquiry or adjustment, this payment of 1,300,000 *l.* by Government, as the sum due to the Territorial branch, for its part of the Company's general account then settled. One instance, out of the many which might be adduced, will suffice to show the necessity of that settlement being adjusted and entered on these accounts, as far as the items apply to them. The sums charged to the Territorial branch in account No. 1, from 1814-15 to 1828-29, for St. Helena, are:

	£.
London expenses - - - - - -	109,903
Territorial stores exported - - - - -	919,180
Ditto from China and the Cape - - - -	327,721
Bullion from London - - - - - -	87,713
Bills drawn on London - - - - -	1,105,830
£.	2,550,347

In the statement of demands of the East India Company on Government there is this item of claim, "Extra expenses at St. Helena, from October 1815 to 30th April 1822, 950,927 *l.*" So that the Company has, in the settlement with the Crown, been repaid this sum, but no entry has been made to credit it, *in reduction of the expenses at St. Helena.* It will perhaps be said, that if the whole sum received from Government, 1,300,000 *l.*, be credited as a Territorial receipt, then the 950,927 *l.* due to territory for extra expenses at St. Helena, is included. I do not admit such conclusion: it must be *first* ascertained that 1,300,000 *l.* is *all* that is due to the Territorial branch for *its part* of the general account of the Company, settled with Government in 1822. It may be more or less; but as far as the accounts which are the subject of these observations furnish information, no step has yet been taken to show the fact, and until that be done, there can be no correct statement made out of the accounts intended to be embraced in the plan submitted by the Court, and approved by the India Board, "for keeping and arranging the books of account of the East India Company in England." The observations in regard to the expenses of St. Helena, apply in principle to all the other items contained in the Company's account with Government, which furnish matter for debit or credit to the Territorial branch; and it will therefore be manifest, to every one conversant with details of this nature, that it is indispensably necessary an account should be taken distinguishing the items which belong respectively to the Commercial branch, to the Territorial branch antecedent to 1814, and to the Territorial branch from 1814; and that corresponding entries should be made in the Company's books, and so become intelligible on the account furnished to Parliament, and thereby correct, in the particular account under notice, the deficiencies and irregularity which at present exist. This account would then become the basis of any general statement of the receipts and disbursements of the Company in Englamd, so far as regards the Territorial branch. My experience of the great regularity and correctness of the public accounts in India, combined with the high reputation for distinguished ability so justly enjoyed both by the Company's principal officers in the department of accounts

accounts in England, and by those of the India Board, led me into a too confident expectation that there would be found, amongst the numerous documents which have been submitted to Parliament, such a general statement of all receipts and payments in England, from 1814–15 to 1828–29, under the plan for separating the Territorial from the Commercial accounts, as would have exhibited the proportions of *each* which constituted the *whole*, and in that manner have afforded satisfactory evidence of the sources of all receipt, and the character of all expenditure, with the additional and ready means of satisfying the scrupulous or sceptical, by reference to, or, if necessary, by analysis of, the various figures, the accuracy of which as results became pledged by their introduction into such a statement. I hoped I had found a document of this description in No. 21 of the papers relating to the finances of India, and the trade of India and China, (p. 48 of papers ordered to be printed 9th February 1830); and with the view of clearing the ground before me, by ascertaining if the Accounts Nos. 1 and 2 (ordered to be printed 3d of June 1830), of the Territorial with the Commercial branch, were adopted, as they should be, into the general statement, I prepared the analysis of these Accounts, Nos. 1, 2, 3, 4, and to which I have added, for more easy general reference, abstracts of their contents, Nos. 5 and 6. Some large differences which were apparent on cursory inspection, induced me to make an adjustment between that part of the General Statement No. 21, and the Accounts Nos. 1 and 2, *both being professedly the accounts of all receipts and payments on account of the Territorial branch.* The result of that comparison is shown by the differences exhibited in the adjustment Statements Nos. 7 and 8, and which of course must be in every particular reconciled, before either document can be adopted as deserving of credit in respect to the results they would go to establish.

2026. You are understood to say that the accounts to which you have referred, namely, so much of the statement of No. 21 as relates to receipts and payments on the Territorial account, and Nos. 1 and 2 of the accounts between the Territorial and Commercial branches, do not enable you to conclude that the balance of 3,184,763 *l.*, stated in the latter to be due from the Territorial to the Commercial branch, is correct?—I mean to say so, because as several items of large amount differ, which purport to represent the same transactions, one or the other must be wrong; and until these differences are reconciled, no dependence can be placed on the correctness of either account.

2027. Can you state any of those differences?—

Under the head of Political Freight and Demurrage, there is a difference of 531,292 *l.*, by Statement No. 21 charging	£. 2,180,991
The Account No. 1 having only - - - - - -	1,649,699

I have already noticed that of 1,300,000 *l.* not charged to the Territorial branch, and which was part of the final payment in 1822 of the loan from Government in 1812.

Besides which, there is charged to Territory in Account No. 1, for Stores exported to India - - - - -	£. 7,193,227
Statement No. 21 charges only - - - - - -	6,322,078
Of this now existing difference - - - - - -	871,149
I trace by means of another account, (p. 7, Mr. Melvill's evidence, 7 June 1830) that additional charges have been made, I conclude since the Accounts Nos. 1 and 2 were prepared, to the amount of - - - - - - -	655,894
So that when an adjustment of the above is perfected on these accounts, there will still be a difference of - -	£. 215,255

Again, with respect to the charges for bills of exchange drawn for principal of debt, it is evident to me that neither of these accounts states the transactions correctly which belong to the redemption of the Indian debt. The true amount redeemed through the joint means furnished by the fund of "Surplus Commercial Profits," and by Territorial assets in England, is not apparent.

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		£.
The Statement No. 21 charges Territory for bills of exchange drawn from India for principal of debt, from 1814–15 to 1822–23 inclusive, and which are not charged in Account No. 2; these therefore are taken to have been paid from surplus commercial profits - - - - -		* 681,094
Ditto in 1823–24, of which, in Account No. 2, there is charged to Territory - - - - - - - - - - £.	1,568,491	
And surplus Commercial profits is stated to provide - -	1,396,842	
		2,965,833
Ditto in 1824–25 and 1825–26, No. 21 and No. 2 agree - - - -		992,185
Ditto in 1826–27, 1827–28 and 1828–29, Territory is charged in Statement No. 21 - - - - - - - - - - - -		252,981
But in Account No. 2, there is only - - - - -	88,689	
The remainder is therefore taken to be provided from surplus commercial profits - - - - - -	* 164,292	
Principal of India debt paid in England - - - -		4,891,593
Of which, by Territory, as per Account No. 2 - -		2,649,365
By surplus commercial profits - - - - - -		2,242,228
And in Statement No. 21, in 1818–19, Territory is charged for bullion transmitted to India to be there applied in discharge of India debt. This very properly does not appear in No. 2. It is an appropriation or disposal of profits, not an advance to Territory - - - - - -		1,000,537
Statement No. 21 does not contain, as it ought to do, a further appropriation of surplus commercial profits made in the year 1821–22; this sum was made received to the Territorial Account in London, the equivalent being ordered to be applied in India, to the payment of so much of the India register debt - - - - - - - - - - - -		1,500,000
In this manner surplus commercial profits are shown to have been applied in London to discharge India register debt - - - - - - £.		4,742,765

N. B.—Subject to explanation in respect to the items above marked (*).

		£.
The Reduction in the India register debt would therefore appear to have been:		
Discharged in England - - - - - - - - -		4,891,593
- - - - India - - - - - - - - -		2,500,537
	£.	7,392,130
Provided in England from surplus commercial profits - -	2,242,228	
- - - India from ditto supplied from England - -	2,500,537	
	4,742,765	
Provided from Territorial assets in London - - - -	2,649,365	
		7,392,130

2028. Are there any other items on which observations suggest themselves to you?—There is one, representing payments to a very large amount, which obviously calls for explanation; I mean the charge made to the debit of the Territorial branch in the Account No. 2, for bills of exchange drawn from India in discharge of interest of debt: The charge is in the year 1821–22, 1,562,522 *l.*, 1822–23, 1,419,587 *l.* The first of these sums is, I believe, more than the annual interest of the whole of the Indian debt of that time; and I had made some calculations to support, by deductions, my opinion that those charges required an explanation which I could not anticipate; but having since read Mr. Melvill's evidence, I found a better confirmation of my ground for doubt. To question 5684, a part of his answer will be seen to be, "The result of all these statements is, that the interest demandable in England is 1,491,500 *l.*, and that the amount which has been so demanded was 843,000 *l.*;" but in this I observe, Mr. Melvill includes 94,000 *l.* for Carnatic debt, of which there is a separate charge. I therefore understand him to say, the largest sum that has been demanded in any one year, with reference to this remark, was 749,000 *l.*; and the accounts show the sums paid in 1820–21, to have been 678,988 *l.*; in 1823–24, 620,132 *l.*; these years being that which preceded and which followed the above quoted amounts, which, without explanation, cannot be accounted correct.

2029. Have you considered any other of the various accounts which have been printed by order of the House of Commons?—I have; but it may be right for me to mention in this place, that before I entered on the consideration of these accounts, I had not read any of the evidence that had been taken connected with the

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the financial situation of the East India Company's affairs, or considered with any attention the conflicting statements which have appeared. After I had formed my opinion of the uselessness, for any practical purpose, of the accounts in their present state, to which my remarks have been hitherto confined, I read Mr. Melvill's evidence of the 7th and 17th of June, and I have considered the statements which are appended to it, and printed in pp. 32 to 35. The first of these is an account of the whole net return yielded by the East India Company's Commercial capital from 1814–15 to 1828–29, by investment in merchandise or otherwise, and showing the appropriations of such net profit. The second account is explanatory of results assumed into the first. Amongst the sources of profit coming to the Company under the term *or otherwise*, will be found the sum of 1,497,842 *l.* as a surplus of sums charged upon private-trade goods, beyond the amount of Commercial charges-general in England, not debited to the Company's own trade. In other words, the Company's charges-general are reduced by the amount charged to the home trade from India and China; the remainder of such charges-general is paid out of the profits resulting to the Company from their management of private-trade goods; and after paying such remainder out of that fund of receipt, there is left a profit on this account of 1,497,842 *l.* This result is not, in my mind, reconcileable with the figures having reference to these transactions, which are adopted into the Statement No. 21, where the Commercial charges-general in England are stated to have amounted, from 1814–15 to 1828–29, to - - - - - £. 6,733,154

On the receipt side of the same account, there is charges and profits on private trade - - - - - - - - - - 2,425,184

When the whole of this receipt is applied in reduction of Commercial charges-general, there will remain to be cleared - - - 4,307,970

In the accounts of whole net return of the East India Company's Commercial capital, the charges on Indian trade are £. 1,355,483
China - - 2,807,042
Together - 4,162,555

Then leaving on balance as uncleared, not being charged to particular accounts - - - - - - - - - - - £. 145,415

Adopting, in this manner, the figures in the general Statement No. 21, the result exhibited by applying the rule laid down in the account of the whole net return of the East India Company's commercial capital, is, that instead of there being a profit of - - - - - - - - - £. 1,497,842

There would remain a balance still to be cleared from charges-general, of - - - - - - - - - - - 145,415

It appears to me, therefore, that the figures in one or the other of these accounts are to a very great amount wrong. The object I have had in going into these details, which I have not been accustomed to for a great many years, was to endeavour to convince other persons, as I am myself convinced, that no statement can be of any use whatever to the right understanding of the real question, of how much money the East India Company have gained by their trade from the year 1814–15 to the year 1828–29, that is not the result and the representative of regularly balanced accounts, embracing not only all receipts and payments in England, but containing also adjustments, on mercantile principles, of the accounts of the commercial agencies in India and China. In this manner the real profit or loss on every branch of trade may be ascertained with the greatest precision, relying as I do on the strict regularity with which all the materials have been furnished from India, and having no doubt that those materials are as perfect here.

2030. The documents, as at present furnished, do not enable you to come to any conclusion one way or other?—Certainly not.

2031. Are the Committee to understand from the statement which you have now made, that you do not conceive the union of the administration of the two departments, Commercial and Territorial, in one body, ought to occasion any difficulty in the way of a correct balance-sheet being made out of the separate affairs of each?—Certainly not, after the precautions taken to produce it by the scheme adopted under the direction of the Act of 1813.

N. B.—*For the Evidence taken* 16 *July, see pp.* 182–192, *and* 218–229.

Sabbati, 4° die Augustii, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

James Cosmo Melvill, Esq. called in; and Examined.

James C. Melvill, Esq. 4 August 1832.

2032. YOU have seen the Report, No. 43, of the Finance Committee Papers upon the Financial Accounts of the East India Company, have you not?—I have.

2033. Will you state whether there are any remarks you would wish to make upon that Report?—So far as I am able to form a judgment of it from a cursory examination, it appears to me to contain a very fair and comprehensive statement of the Financial concerns of the Company since the year 1814, and it is particularly satisfactory to me, as being confirmatory of the views given in my former evidence of those concerns. There are some minor points in which I might differ from the statements given in this Report; for example, it contains observations respecting the mode of ascertaining the loss to the Commercial Branch by the Board's rate of exchange. I should be disposed rather to take the view of that subject which the Court of Directors have expressed in their protest, than the view taken in this Paper; at the same time this question of exchange is a debateable point, and unimportant practically in its results, so far as their accounts are concerned, the Company not having preferred any claim to be paid, in their Commercial capacity, the amount which the Indian Territory has gained by observing the Board's rates; the object of the Company in seeking a correction of the rates of exchange has been that the extent of the assistance which the Commerce affords to the Territory, should be fully shown. I observe that a number of items of receipt and expenditure are classed in this Report as "Deferred Items," but I presume that title cannot be meant to convey any doubt as to the propriety of debiting and crediting those sums to the India Territory. My understanding of the case is this, in India an account is kept of transactions between London and India, and in London adjustments are made in that account; certain items have been adjusted in the London account, and have not been carried yet into the Indian account, and these are principally what I see classed as "Deferred Items." The Committee will allow me further to add, that the result of these adjustments, in other words the balance of this account called "Deferred Items," is an additional credit to India of 3,587,000 *l.* more than was credited in the account kept in India; the London adjusted view is to that extent more favourable to India than the Indian view.

2034. What is the present amount of the Company's home bond debt?—£. 3,527,243.

2035. What view do the Court of Directors take of the character of that debt?—They consider it wholly Territorial.

2036. Has it been the custom to consider that debt as wholly Territorial?—The character of the bond debt had been always considered a point in suspense until lately, when the Court of Directors having been called upon, by the Commissioners for the Affairs of India, fully to explain the state of the Company's affairs in the event of their being dispossessed of the territory, the Court felt it necessary to investigate the character and constitution of the bond debt, and they came to the conclusion which I have stated.

2037. Can you refer the Committee to any documents in which the debt is considered as wholly of a territorial kind?—I would refer the Committee to a Report of a Committee of the House of Commons in 1783, which states that the bond debt had either been caused, or its discharge prevented, by military expenditure, in acquiring the territory. I am aware that that Report applies only to the bond debt which existed in 1783, but the Commerce of the Company has since paid in interest upon that debt more than the difference between the bond debt in 1783 and its present amount; besides which the state of the account between the two branches of the Company's affairs from 1780 to 1814, which was laid before the Committee last year, shows that the Trade had assisted the Territory to a much greater extent than the whole amount of increase of bond debt. The conclusion, therefore, seems to me inevitable, that the whole of the bond debt is Territorial.

2038. In

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2038. In point of fact, as far as the documents are concerned, does the claim of the Company to consider the bond debt wholly territorial rest only on the Report of the Parliamentary Committee of 1783?—Upon the Report of the Committee of 1783, and upon the statements of account between the Territorial and Commercial branches, which were laid before the Parliamentary Committee in 1831, and appended to their Report of October of that year, (page 560, in the Appendix to that Report,) from which it appeared that up to 1814 the Commerce was 12,044,934 *l.* in advance for the Terrritory.

2039. What was the amount of the bond debt in 1783?—It was 1,497,000 *l.*

2040. It is stated in that Report to be the expenses incurred by the Company, in the wars antecedently to the acquisition of the Dewanny?—Yes.

2041. Is the Company's claim with respect to the bond debt limited to that amount?—No; the Company consider that the whole of the bond debt at its present amount is territorial.

2042. From that period up to the present time the amount of the bond debt has been fluctuating?—It has.

2043. At what period did it originate?—The Company were authorized by their charter to borrow money upon bond. The bond debt in 1750 was 4,065,000 *l.*

2044. That was before the acquisition of any territory?—Yes; previous to the acquisition of the Dewanny. The bond debt appears to have principally originated in money taken up by the Company to meet sums which they had agreed to lend to the Government, and which formed one of the Government stocks, called the "East India Annuities." The amount of stock so created by loan from the Company to the Government was 4,200,000 *l.* in 1750, and their bond debt in the same year was 4,065,000 *l.*

2045. Previously to the acquisition of the Dewanny, and to any expenses incurred in the wars, would you not consider the bond debt to have been of a commercial character?—Clearly so; but the Committee are aware that the expenditure on account of the wars reported upon in 1783, had been going on for 15 years previously to 1765, and had terminated in the acquisition of the Dewanny; bonds raised to meet that expenditure were obviously on the territorial account.

2046. Has not the attention of Parliament been particularly directed from time to time to the Company's home bond debt?—I presume it must have been; Acts having been passed upon that subject.

2047. The increase of the debt for particular purposes has been the subject of legislative enactments?—Yes; the 7 Geo. 1, c. 5, authorized the Company to borrow upon bond to an extent not exceeding the debt due by the public to the Company; the 17 Geo. 2, c. 17, authorized the Company to lend one million to the Government for 14 years, and to borrow it on bond; the 23 Geo. 2, gave permission to the Company to sell their East India annuities; the Regulating Act, 13 Geo. 3, required the bond debt to be reduced to 1,500,000 *l.*; the 23 Geo. 3, c. 36, authorized its increase to 2,000,000 *l.*, requiring however, that when circumstances permitted, it should be reduced again to 1,500,000 *l.*; the 28 Geo. 3, authorized the Company to borrow upon bond a further sum of 1,200,000 *l.*; the 33 Geo. 3, required that the bond debt should be brought down again to 1,500,000 *l.*; the 34 Geo. 3, c. 41, allowed the bond debt to remain permanently at 2,000,000 *l.* instead of 1,500,000 *l.*; and also authorized its increase, if necessary, to 3,000,000 *l.*; the 47 Geo. 3, c. 41, authorized the Company to borrow a further sum of 2,000,000 *l.* upon bond, and the 51 Geo. 3, gave further authority to borrow 2,000,000 *l.* more on bond, providing at the same time that not more than 4,000,000 *l.*, including what they had been authorized under the Act of the 47 Geo. 3, should be raised. I believe the effect of all those enactments is, that the Company are authorized, with the approbation of the Board of Commissioners, to have a bond debt of 7,000,000 *l.*

2048. Is it not the case that in many of those Acts to which you have now referred where an increase of the bond debt is authorized, that increase is expressly declared to be for the purposes of the Company's trade?—Expressions of that kind will be found in all the Acts which were passed before the Company assumed a political character, and there is also such an expression in one of the subsequent Acts, 23 Geo. 3, c. 36; but if the Committee will be pleased to refer to the Act 51 Geo. 3, c. 64, s. 1, the last Act authorizing borrowing on bond, and which gives the largest power, they will perceive a distinct declaration that the necessity for borrowing was wholly political.

 2049. Are

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2049. Are there not expressions directly to the effect supposed in the previous question, also in the 7 Geo. 1, the 23 Geo. 3, the 28 Geo. 3, the 34 Geo. 3?—I am not aware that there are, except in the 7 Geo. 1, when the Company were exclusively commercial.

2050. Will you turn to the Act of the 7 Geo. 1, c. 5, s. 32?—That enactment states that the money borrowed on bond is "for carrying on the trade, or by way of bottomry."

2051. Will you refer to the 23 Geo. 3, c. 22?—The Company were then also exclusively commercial, and that Act continues the power for raising money for commerce or bottomry; the 23 Geo. 3, c. 36, s. 2, states, as I before observed, that the 500,000 *l.* which it authorized to be borrowed on bond, was for commercial purposes.

2052. Was that sum raised?—Yes, it was.

2053. Will you refer to the 28 Geo. 3, c. 29?—That enactment authorizes borrowing on bond for joint purposes.

2054. Will you refer to the 34 Geo. 3, c. 41?—That authorizes the continuance of the bond debt at 2,000,000 *l.*

2055. No distinction appears to be recognized between the political and commercial purposes in the two last Acts?—No.

2056. Therefore the subject can be determined only by an investigation of the accounts?—Independently of the admission of the Committee of 1783, as applicable to the bond debt at that time, I consider that the character of the remainder of the bond debt must be determined by the state of the account between the two branches.

2057. There were funds avowedly commercial, such as the sum due from the Government to the Company, termed the East India annuities, and also the amount raised as capital stock, which at various times were treated by Parliament as interchangeable with the monies raised by bond, the one diminishing as the other increased?—No doubt; Parliament, previously to 1814, appear to have treated the whole as a joint concern, and to have even authorized an increase of capital for political purposes, and capital was actually so applied in 1793–4.

2058. You have referred to a Report of the Committee of the House of Commons of 1783, on the territorial character of part of the bond debt; in the previous Report of March 1782, the Committee state that the public consented to forego their participation in the profits of the territorial acquisitions, in order that they might be applied to the reduction of the Company's bond debt; in what way do you conceive that bears on the Company's present claim?—That seems to me to show that political funds were considered available to the discharge of the bond debt, and consequently confirms the view I have taken as to its character.

2059. In point of fact, was there not a sum of 1,453,570 *l.* applied out of the territorial profits to the liquidation of the bond debt, in consequence of that arrangement?—A large sum of money was so applied agreeably to law. The Government share of the Indian revenues was to some extent applied to the discharge of the bond debt.

2060. The amount so applied appears to be one-half of the bond debt at the time; assuming that to be the case, is it not to be inferred that if, of the amount of the bond debt admitted to have been of a mixed character, one half was then discharged from territorial funds, what remained was rather commercial than territorial, and is not that the only practical solution of the difficulty which can be found in the absence of any accurate separation of the accounts?—It would be impossible for me to come to that conclusion with the statement of the Committee of 1783 on record, because that Committee distinctly stated that the whole of the bond debt then existing, either arose from the military expenses, or that the Company were prevented by those expenses from discharging it.

2061. You consider that such a construction would be inconsistent with the Report of the Committee of the House of Commons in 1783?—I do.

2062. Do you consider that the military expenses to which you refer in your last answer were totally independent of the commercial character of the Company; was no part of the territory, acquired or defended, useful to the Company, if not necessary, with a view to its commercial prosperity?—Perhaps entirely so, up to the year 1750, but the statement of the military expenses is retrospective only to 1750, and the wars which succeeded to that period were a struggle on Indian ground between European powers, rather than for internal security.

2063. Was

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2063. Was not a considerable portion of the debt existing in 1783 a part of that which existed in 1750?—The bond debt in 1783 was less than in 1750.

2064. At what amount do you imagine the bond debt stood at the commencement of the period to which the observation in the Report of 1783 as to military expenses referred?—The statement in 1783 did not I believe go further back than 1750, when the amount of bond debt was 4,065,000 *l.*, but the Committee will observe that at that time there was an available commercial asset of 4,200,000 *l.* in East India annuities. The money borrowed on bond, and which formed the bond debt, was lent to Government, and that loan to Government formed the asset; and the bond debt was subsequently reduced by a corresponding reduction of the asset.

2065. You have stated that the military expenses previous to 1750 were intimately connected with the commercial character of the Company, but that the expenses between 1750 and 1783 were more of a political and even of an European character;—as it appears that the bond debt was higher in 1750 than it was in 1783, upon what ground do you consider the debt existing in 1783, as arising out of the expenses between 1750 and 1783, rather than of those prior to 1750?—Because the reduction of the bond debt in the intermediate period had been effected entirely by the reduction of the commercial assets of the Company, in the sale of their East India annuities. Independently of that circumstance, there was an increase of the bond debt caused, as the Committee stated, by military expenses.

2066. When you say that the bond debt is to be considered as wholly territorial, you mean, that supposing the Company entirely to be separated from the territory, the bond debt should be a charge upon the terrritory?—Certainly; I mean that no part of the bond debt should be considered an incumbrance on their trade.

2067. You probably speak upon the principle of equity; in law, the Company is bound to pay the bond debt, and the territorial debt also?—I have no doubt of the obligation of the Company, in point of strict law, to provide for the home bond debt. The territorial debt may possibly be differently circumstanced.

2068. In one of the papers it is stated that the first Act which authorized the bond debt was the 9 & 10 Will. 3, c. 44?—That Act authorized the Company to borrow money under their seal, and required the period of six months to be specified in the bonds. This enactment was framed to protect the Bank of England. When that Act passed the Company were exclusively commercial, and the permission to borrow must have been for the trade only.

2069. It has been stated that the Company possess, as a commercial corporation, forts, towns, islands, territories and rights abroad, their absolute property in which has never been questioned, the same having been obtained by purchase, amicable grant or negociation previous to the acquisition of the Dewanny; has any valuation ever been made of those proprietary rights?—I am not aware that the Company ever made a valuation; Mr. Dundas referred to one in the year 1793, in a speech he made in the House of Commons on proposing a renewal of the East India Company's charter.

2070. Was that the valuation made by Mr. Russell?—I believe so.

2071. Was it made by the authority of the Company?—No, Mr. Russell was an officer of the Board.

2072. Is there any where a specification of those possessions, stating what they are?—I am not aware that there is any distinct specification on record. I will, however, give to the Committee all the information I can upon the subject. The Committee are of course aware that the earliest charter of the Company gave them a right to acquire lands without any reserve; the right of the Company to the property in the lands acquired under that authority, does not appear to have been questioned for a century and a half; and when questioned, it was only with respect to *recent* acquisitions. After the battle of Plassey in 1757, doubts appear to have arisen whether territory and booty acquired by force of arms in India did not belong to the Crown; with a view of removing those doubts, the Company presented a petition to the Crown, the object of which was to obtain a grant of all that might be acquired by conquest.

2073. Territory as well as booty?—Yes; this petition was referred to the law officers of the Crown, who gave it as their opinion that all places which the Company acquired by treaty or grant from native princes were their property, the sovereignty

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sovereignty vesting in the Crown; but that as to places acquired by conquest, the property, as well as the dominion, vested in His Majesty.

2074. Will you state the names of those who gave that opinion?—They were, I believe, Sir C. Pratt and Sir C. Yorke. Notwithstanding this opinion the King's Ministers, in 1762, seem to have thought that even *conquered* territories were the Company's, because, in answer to the ministers of France, who were then seeking restitution of territory and property which had been acquired on the continent of India by the East India Company, the King's Ministers answered in these words: "Respecting those territorial acquisitions the English East India Company have made in Asia, every dispute relative thereto must be settled by that Company, the Crown of England having no right to interfere in what is allowed to be the legal and exclusive property of a body corporate belonging to the English nation." It must, however, be admitted, that subsequently Parliament, in the various enactments made for continuing the territory from time to time in the hands of the East India Company, has asserted a right to control and appropriate the territory, always distinctly reserving the rights possessed by the Company and the public, previously to every new arrangement; and it is worthy of observation, as showing the distinction between the old and the new territory, that the first Act which gave the Company a Parliamentary tenure in the territory (the 7 Geo. 3, c. 5,) was restricted to territory "*recently acquired.*" Waiving then the question regarding the territory acquired by conquest, I may, perhaps, assume it to have been settled that all acquisitions by purchase or amicable grant belonged to the Company in perpetuity; of this description are Fort William, Calcutta; the commercial factories in Bengal; the ground-rents of all those places; Fort St. George, Madras; the Jaghire there, Vizagapatam, Bombay, and the Northern Circars; there is also property rather differently circumstanced, which was acquired in the period intervening between the battle of Plassey and the acquisition of the Dewanny in 1765, but which was obtained by cession rather than by conquest; such is Burdwan, Midnapore, Chittagong, and the 24 Pergunnahs. I will now, with the permission of the Committee, read to them a passage from Mr. Dundas's speech in the House of Commons in 1793, upon this subject: "If the exclusive charter should expire in 1794, still the Company would be a body corporate, and permitted and entitled to trade upon the joint stock. To whom, in this case, would the most important seats of trade in India belong? to the Company undoubtedly. Under their original and perpetual charter they have legally purchased or acquired Fort St. George, St. Helena, Bombay, and Calcutta, and long before they were possessed of the Dewanny; those possessions are their patrimonial property, and cannot be taken from them. Upon the whole, exclusive of the Dewanny they have an unalienable right to valuable landed possessions, amounting at least to 250,000 *l.* per annum."

2075. Are there any particular treaties or deeds under which those possessions are held to which you can refer?—I have no doubt there are such treaties; but I am not prepared with the means of referring to them now.

2076. The Company's proprietary rights in India may be said to resolve themselves into real and personal?—Principally real property, I imagine; what appertains to them of personal property as a corporation is kept distinct, under the plan for the separation of accounts.

2077. You have stated that they have a property in lands in India?—Yes, I imagine so.

2078. Are not rent and revenue in India nearly synonymous?—The government revenue in India is principally derived from land.

2079. The land revenue in India is altogether different from that raised in this country; the latter is a rateable tax upon the rent; but in India the land revenue is almost always the greater part, often the whole of the rent, and sometimes even more, is it not?—I believe that in many parts of India the government revenue from land is equal to its full rent.

2080. In respect of those places you have enumerated, is it as sovereigns or as landed proprietors you apprehend the Company would hold them?—I conceive it is as a body corporate established under charter, with power to acquire lands, that they would hold them.

2081. Supposing that the Government claim the sovereignty, but acknowledging the ownership of the Company, leaving them, the Company, to deal as they may think proper with the lands, would not the adjustment of the Government dues be in this case, as in all others, the condition of such possession?—Of course; if the Company possessed property in India, and ceased to exercise the sovereign power

there

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there, their property would be taxable, in common with other property, providing that the title under which they held the property did not contain an exemption from taxes.

2082. The Government part would be first set apart, the rest would continue in the hands of the Company or of natives?—Yes; but I believe it will be found that the grants of this property to the Company comprised not only an exemption from taxes, but also a power to levy duties. I would here observe upon the subject of the territorial claims of the Company generally, that the Court of Directors have not thought it right to state those claims specifically, considering that it will rest with their constituents to do so at the proper time.

2083. Independently of the sovereignty, do you consider that the Company have proprietary rights in the customs of Calcutta and Bombay?—It certainly appears to me that if the Company should be dispossessed of the territory, they would have an equitable claim to consideration in respect of the duties, upon the ground that by grant from the former sovereign, the Mogul, they were authorized to collect on their own account the whole of the duties in those places which are now the principal seats of trade; and this authority they possessed by free grant, and not as the result of force of arms. Therefore if another power steps in and deprives the Company of their territory, it appears to me that compensation should be made for the loss of a valuable gift from the Mogul to them.

2084. That grant of the power of collecting the duties appears in the original title?—It does.

2085. Can you state upon what principle it is that the Company regulates its grants of pensions; is it from the nature of the office, or the length of service?—There are Acts of Parliament that prescribe regulations for the grant of some kinds of pensions, others are granted under regulations of the Company, and in other cases the Company grant pensions at discretion, upon the circumstances of the case. In the first class are comprised pensions to the King's Judges, Bishops, and Archdeacons, and to the officers of the India Board and the India House. In the second class, retired allowances to military officers, and also to the widows of those officers, respecting whom however the only provision made by the Company alone is that called Lord Clive's Fund, other provision for widows and families being made by funds established in India at each of the presidencies, and which are maintained by the joint contributions of the Company and the service.

2086. With regard to the other class, where the Company exercise discretion, are there any fixed principles by which the amount of the pensions is regulated?—Extraordinary service; extraordinary suffering, and poverty, are the circumstances which seem to me generally to influence the grant in these cases.

2087. Is the consent of the Court of Proprietors necessary before a pension can be granted by the Directors; or is the amount which the Directors can grant, without such consent, limited?—The Court of Directors are prohibited from granting a pension to any one person exceeding 200 *l.* per annum without the sanction of two general courts, specially summoned for that purpose, and without the approbation also of the Board of Commissioners; they are also prohibited from granting to any one person any gratuity exceeding 600 *l.* without such sanction.

2088. Then all pensions under 200 *l.* may be granted by the Court of Directors?—Yes; but statements of all pensions granted must be laid before Parliament.

2089. Although the granting of those pensions under the third head is at the discretion of the Directors, is there any understood principle by which the amount of the pension is determined?—The circumstances of the individual.

2090. Is the length of service adverted to?—Always.

2091. As in the granting of pensions by Government, is there always regard to the length of service and amount of salary?—In the first class of pensions there is a distinct regulation prescribed by Act of Parliament, which makes the pension dependant on the time of service, and the proportion of salary.

2092. Although there is no fixed rule, is there any understanding upon which the amount of pension is fixed?—No other understanding as to cases in which the grant is at the discretion of the Company, than that the amount is to be fixed in reference to the services and circumstances of the individual.

2093. Is it in the power of the Directors to vary the amount of salaries of the persons employed in the civil department?—Certainly; but they cannot make any increase

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increase beyond the amount of 200 *l.* a year without the consent of two general courts and the Board of Commissioners.

2094. Referring to the Appendix No. 35, of the Report of October 1830, do all those allowances admit of augmentation or diminution according to the discretion of the Court of Directors?—They do; subject in cases of augmentation beyond 200 *l.* a year, to the approbation of two general courts and the Board of Commissioners.

2095. In the instructions that were given to the Civil Finance Committee, the commercial establishments of the Company in India were reserved for special consideration. The Court of Directors, however, in their letter to the local government, noticing the appointment of the Finance Committee, observe, that they saw no reason whatever for any such reservation; can you inform the Committee whether the Finance Committee did include those establishments in their inquiries, or whether those establishments have been made the subject of any inquiry since the Finance Committee ceased its operations?—I rather think the Finance Committee had ceased its operations when those orders were received in India; I am not aware of any information having yet reached this country that the orders have been acted upon. I conclude, however, that though the Finance Committee had ceased, the Government will have instructed some other persons to revise the commercial establishments.

2096. Do you concur in the Estimate Mr. Lloyd has given before the Lords' Committee? [*The same being shown to the Witness.*]—Yes; the Estimate is more fully given in page 560 of Appendix to Report of October 1831.

James Pennington, Esq. called in; and Examined.

James Pennington, Esq.

2097. WILL you explain what you mean by the term "Deferred Items," which forms the head of Account No. 5, page 15, in your Report?—That head of account comprehends all those items which do not properly fall under the head of Revenue and Charge, or of Debt Incurred and Paid Off; under what head of account they ought to fall is a point with respect to which I did not consider that I was required, in that Report, to offer any opinion.

2098. Will you explain what you mean by the item "Difference of Exchange between the Board's rates and the rates at which bills are actually drawn"?—The bills drawn for the interest of the Indian debt were drawn in the early part of the period at higher rates of exchange than those prescribed by the Board of Commissioners; the difference of 213,515 *l.* arises from that cause.

2099. In what period did that difference arise?—From 1814 to 1829.

2100. What is meant by "Bhurtpore Prize Stamp"?—I do not exactly know; but I rather think that India has given credit to London for the stamp duty, in consequence of not being aware that it had been reimbursed in London by the captors.

2101. (*To Mr. Melvill.*)—Will you turn to the account of the deferred items in page 15, and explain the item "Bhurtpore Prize Stamp, 25,000 *l.*"?—That is the stamp duty upon the grant of the Bhurtpore prize money, which duty was paid in London; we have charged it to the captors, and have therefore omitted it in the sums chargeable to India; but India having been reimbursed the amount by the captors, has credited it to London, where the payment was required to be made to the Treasury before the warrant for distributing the booty could be issued.

Lunæ, 16° *die Julii*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

Mr. *John Wilkinson* called in; and Examined.

Mr. *J. Wilkinson*, 16 July 1832.

2102. FOR what purpose did you go out to India?—To superintend the introduction of an improvement in the silk reeling, for Mr. Heathcoat.

2103. Is Mr. Heathcoat engaged in business?—A large manufacturer of bobbin net, at Tiverton.

2104. You went out to introduce his improvement into India?—Yes, to the reeling of silk.

2105. When did you go?—In April 1826.

2106. Where did you go to?—To Bengal.

2107. What part of Bengal?—To Santipoor.

2108. Did

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2108. Did the experiment succeed?—It succeeded partially.

2109. State what course you pursued on your arrival in India, and what stations you visited.—The first object of my going out there was to endeavour to introduce to the notice of the holders of private filatures, the invention, it having been declined by the Company here.

2110. Describe the invention.—It is a plan for ensuring a more even thread, by dividing the cocoons into sets, and which has been practised with great success in Italy and France.

2111. First classing them?—First classing them.

2112. Classing them into silks of the same dimensions?—Yes, by dividing the cocoons as they first run from the basin into separate sets, and afterwards uniting them into a thread of the desired thickness.

2113. In what part of Italy has that been practised, and when was it first introduced?—It was introduced in about the year 1824; I could not say particularly in what parts of Italy.

2114. Did you apply to the Court of Directors for permission to go out?—I applied to the Company for permission to proceed out; Mr. Heathcoat offered the use of the invention to them, and they were willing that he should make an experiment on his plan, but here the Court of Directors declined it.

2115. Was the application in writing, and have you got the correspondence that passed?—It was by written correspondence; but I have not got it.

2116. Will you state what course you pursued when in India?—When I got there I found there were no private filatures at work at all. I then brought the matter under the notice of the Company through the means of Messrs. Alexanders, and they were willing to make an experiment of it, the local government, which was done at Santipoor under my superintendence, and also at another filature, Rungpoor.

2117. You went to those filatures yourself?—I only went to Santipoor myself.

2118. Who was the Company's resident at Santipoor when you were there?—Mr. Edward Marjoribanks.

2119. And at Rungpoor?—Mr. Becher; the experiment was made to the extent of 100 bales, about 14 I think of which were reeled under my superintendence at Santipoor; there was a quantity reeled by Mr. Becher, at Rungpoor, and I did not remain in India till the whole of the 100 bales were completed, but returned to England with the first shipment; they have since been brought into the market, and on some of them there has been an acknowledged superiority.

2120. Were those which you superintended yourself visibly superior?—That I am not aware of.

2121. What arrangements did you make for classification, did you point them out to the natives?—I pointed it out to them, and I had a very simple piece of machinery applied to the reels then in use; it was merely a copper guide-plate, with holes, so as to ensure a division, and keep the cocoons in sets apart in the basin.

2122. Was the invention applied under your direction?—Yes, to the reels then in use.

2123. To what do you ascribe the partial failure that you speak of?—I should say it is partly owing to the want of good staple in the cocoons of India, and partly to the inattention of the natives, their carelessness; they require more superintendence.

2124. Has it been continued ever since?—No, it has not.

2125. Had you an opportunity of examining the different kinds of cocoons there; are they all of the same description?—No, they are not all the same; it depends very much on the season in which they are spun.

2126. What do you mean by good staple?—I should think the cocoon, as produced by the worm in India, very far inferior to that of the Italian; whether I am right in applying the term staple to it I do not know.

2127. What description of mulberry was in cultivation there for feeding the worm?—It was what they called the Indian Variety.

2128. Is there only one description of mulberry cultivated in the part with which you are acquainted?—Only one that I am aware of.

2129. What description of mulberry do you consider to be best calculated for the growth of silk in India?—I am not aware that they use any other than the Indian Variety.

 2130. But

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2130. But what description in your own opinion?—I could not say that there wa any other tried; not as far as I am aware of; there was but one sort at Santipoor.

2131. What is generally called the White Mulberry?—No, the Indian Variety we should call it.

2132. At what age are each of the species of mulberry with which you are acquainted fit for picking?—The first in about four months after they are planted, and afterwards there is a crop about every eight or ten weeks.

2133. Have you ever tried or seen tried both the layer and the standard systems of cultivation?—There is a small plantation in the neighbourhood of Santipoor, not exactly on the standard plan, but rather, we should say, of jungle, suffering the plants to run up without thinning them.

2134. Explain the difference between the two systems?—The leaves of the one which I have just described are reckoned to be more nutritious, and the plant is also thought to suffer less from the weather.

2135. That is when they are planted in coppice?—Yes; and there is also a plantation of that kind at Hurripaul, but I am not aware of any other in India; all that I have seen have been in hedge-row.

2136. Do you know why that system of cultivation is followed in India?—No, I cannot say why, unless it is that it is the old custom, and that the other has not been introduced long enough to decide whether it is superior.

2137. In what month is the first crop gathered?—They vary in different districts; at Santipoor the crops were in March and April, July and November.

2138. Does this kind of mulberry grow in moist or in dry soil?—A dry soil is reckoned preferable.

2139. Do you know which crop is best, whether the one before the rains or after the rains?—The crop in the rains is the most abundant.

2140. The one that is gathered in July?—In July.

2141. Does it produce a fruit?—No.

2142. Is it considered that the leaves of the standard tree are less bitter and hard than those of the bushes or layers?—I never heard that stated, but I should suppose that they would be, inasmuch as they are higher from the ground.

2143. How high do the jungle trees grow?—About six feet, or perhaps more than that.

2144. In the coppice that you speak of, do you mean the stems grow from one stool as in coppice wood here?—Yes.

2145. They are cut down, and many stems shoot up from one stool?—Yes.

2146. At what period can a crop of leaves be gathered from each species?—I cannot speak as to the coppice wood, but from the hedge-row plantation in about four months, and then afterwards almost every eight or ten weeks.

2147. This hedge that you speak of is the division of the fields?—No, it is not the division of the fields, though they call it a hedge-row; it is a plantation rather.

2148. Explain what you mean by hedge-rows?—In rows about six or eight inches apart, and some space between each row.

2149. How high are they allowed to grow?—About three feet.

2150. Can you state how many crops are gathered from each species in the first year, and in each succeeding year?—I should say in the first year about four, and in the second year six.

2151. From each species?—Yes, from both the same.

2152. Will you state what you know as to the usual system of managing the hedge-row plantation of mulberry?—I should say they are planted about the end of November, generally, and the first crop of leaves is ready the next January or February; that they are hoed and dug between the rows; not much watered; weeded occasionally, I cannot say how frequently.

2153. Do they undergo any irrigation?—No. After the leaves are gathered, the plant is cut down to about a foot from the ground; once in the year, at the end of November, it is generally cut down to the ground, and at that time the ground is ploughed between, not at others.

2154. Who are the cultivators of the mulberry in India?—The ryots.

2155. Do they sell the leaves, or do they keep them for their own worms?—Generally the same parties keep them.

2156. Is there much capital invested in the production of the mulberry?—That I cannot say, it is a thing all among the natives, no European superintendence of it at all.

2157. Is

2157. Is the practice of selling the leaves common?—Not common.

2158. Does it appear to you that much care was taken in the cultivation of the plant?—Not a great deal.

2159. Do you know what was the price of the leaves?—No, they are very seldom sold, they are generally grown by the parties who feed the worms, and if they are sold, it is between the natives, and I know nothing of it.

2160. Did you ever inspect the leaf at the time it was given to the worm?—No, I have never seen it before it was given; and when it is given it is chopped up so that I can form no idea of the state of it; I have seen them feeding, and the leaves are chopped up small.

2161. What species of worms are bred in the district with which you are acquainted?—There are only two, the one which they call the country worm and the large annual.

2162. Can you give the technical description; do you know any other name for it than that you have mentioned?—No, I do not.

2163. Do you know how often they change their skin?—No, I do not.

2164. Are you acquainted with any other varieties of the worm than those which you saw there?—No, I am not.

2165. How many crops of leaves do the trees generally produce?—There is one about every 8 or 10 weeks, after the first four months from their planting. It is four months after the first planting of these shrubs before you can gather a crop, and after that there is a succession about every 8 or 10 weeks.

2166. Can you state what are the distinguishing characteristics of the species of worm which you saw in India?—The distinguishing characteristic is, that the country worm hatches four times a year, and the large annual only once, from which it takes its name. I know of no other.

2167. Is the one species more hardy than the other?—I am not aware that it is; I think not.

2168. Or more prolific?—No, they are all alike prolific.

2169. Is there any difference in the silk produced by each species?—The difference seems wholly to depend on the season in which the cocoon is spun.

2170. And not upon the worm?—And not upon the worm, as far as the distinction between the country worm and the large annual goes.

2171. What is the best and the worst season?—The best season is what is called the November bund, (the cocoons are finished spinning about the beginning of December,) and the worst is the rainy.

2172. Is there more expense in the buildings or apparatus, or in the care attached to the cultivation of one species of worm than that of the other?—No, I should think not.

2173. Do you consider that a particular quantity of food is indispensable for particular varieties of worm, or that they will all live under the same circumstances?—The two that I have seen, would be quite alike with respect to their treatment in food, that is, the country and the large annual.

2174. You are not aware whether treatment made any difference in their health or product?—No.

2175. How soon after being hatched have you generally found the worms to commence their cocoon?—It depends very much on the time that they are hatched; sometimes between two and three months, in the hot season not much more than 30, or from 25 to 30 days.

2176. Is there any artificial heat ever used for the hatching of the eggs?—Never; it is not requisite at all in that climate.

2177. How is the temperature regulated?—They have a fire occasionally in the cold season, not for hatching the eggs, but for preserving the worm in the houses in which worms are kept at a proper temperature.

2178. Are they kept in a place where the light enters freely, or are they kept in the dark?—They are kept in a place where the light is excluded, but where the air is admitted, because there are no glazed windows; it is a mere hut, with a hole in the wall, before which they place a screen when they want to exclude the air, which excludes the light of course at the same time.

2179. In what state is the worm then?—During the whole time of its feeding.

2180. Then in point of fact it is kept in a dark place?—It is generally dark.

2181. Is the silk in the districts with which you are acquainted reeled by the peasantry, or in filatures?—In filatures; when I say the districts I am acquainted with

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with, I know but little except of that at Santipoor, having never stayed at any other.

2182. Did you understand that it was reeled by the peasantry in other places?—It is partially so.

2183. Do you know what the process used by the peasantry in reeling is?—It is very similar to that used in the Company's filatures, but inferior.

2184. What is the process of reeling used in the filatures?—The process is by placing the cocoons in hot water, and winding them off upon reels which are fixed, the coppers being placed in masonry, and having under each a furnace for the purpose of heating the water; it is I believe entirely on the Italian plan.

2185. Into what cocoon is it usual for silk to be reeled?—It is according to the order received from England; the principal part of that which comes from Bengal is coarser than that from Italy, that is, there is a smaller proportion of the fine silk generally ordered by the Company than of the coarse.

2186. Do you consider that the method adopted in India is influenced by any regard to quantity rather than to quality?—I should say that it is.

2187. How so?—Inasmuch as it is more to the interest of the people who are concerned (the natives especially) to get a large quantity than to get a good quality.

2188. Why is that?—Because they get more in proportion to the price that it fetches.

2189. Has the improvement of Mr. Heathcoat been introduced into France and Italy?—Very generally.

2190. Did you hear much of the competition between the Company and the private traders in silk in India, as at all interfering with the purchase of silk?—When I arrived out there, that competition had almost ceased; there was not, I believe, a single filature at work by individuals, nor had been for some little time previous.

2191. To what is that attributed?—The great price that the Company has given to the rearers of cocoons, it was beyond what any private individual could give.

2192. What was that price, do you remember?—I think the average cost of the silk to the Company for the year 1826 was 14 rupees 6 annas per seer, but that includes the winding charges; I should say that was the cost of the invoice, but then what they gave the rearers I cannot exactly state.

2193. But the price of the raw article had been so raised that it was no longer the interest of the private companies to purchase at that rate, and therefore they had ceased to work it?—Exactly so.

2194. To what did you hear attributed the great price which the Company gave for raw silk?—I heard it attributed to different causes; one was that it was done with the express purpose of excluding individuals from competing with them; and another, that as it enabled those who were concerned in the getting up of it to get a larger commission, it was more to their interest than if it cost less.

2195. The agents were paid by a commission on the price?—Yes.

2196. And therefore the higher the price the greater their remuneration?—Yes.

2197. Did you not hear also that there had been orders from England to send home a much larger quantity than usual?—No, I do not remember hearing that generally, but the order for Santipoor had, I know, been larger for the year 1827 than for the preceding.

2198. Will you state any general observations that you made as to the system employed in India in the production and reeling of silk?—I should say that the inferiority of the silk arose in a great measure from the carelessness of the reelers; I have heard the inferiority attributed in a measure to their inability to do it better, in consequence of being overworked; that may be the case in some districts, but I should not say that it was in the one that I have seen. I think that they require much closer superintendence than is given; and that if Europeans or country-born people were employed in the filatures as overlookers, the silk would be wound in a much better manner. I can state as a fact that I brought over two sample skeins, which were wound under my own immediate inspection, I standing at the basin during the whole of the time; I showed them to a gentleman in London who is a large manufacturer, (I should have stated that this was reeled on Mr. Heathcoat's patent plan,) and he said, that if all the silk was like that it would be worth 2*s.* a pound more than the ordinary silk from Bengal.

2199. Were

2199. Were they picked cocoons?—No, they were not picked, but they were of the best bund, the November bund, perhaps better than an average lot even of that bund.

2200. Can you state what price that would yield relatively to Italian or French?—No, I cannot; for I have not seen this gentleman since. I mention this to show that the people are not at all inferior as workmen to those of Europe, and that as far as the winding is concerned, with more looking after they would be at least equal, if not superior.

2201. Without the introduction of fresh seeds from Italy, do you suppose it would be possible to make the Indian silk, by care in the winding, equal to the Italian silk?—I should say not equal; but I think that a very considerable improvement might be effected, both in the cocoon as it is spun by the worm, and in the silk afterwards as it is wound from the cocoon.

2202. In what sort of building is it that the worm is bred and fed?—Generally in huts.

2203. Is the same degree of care paid to it as in France or Italy?—Nothing like it; at least from what I have heard of the care that is given in Italy and France; I have seen nothing of that myself.

2204. Did it not appear to you that the cost of production even under a better system ought to be very low in India?—I have been told by a gentleman in the year 1826, that he could purchase silk for 12 rupees a seer, or that he could make it himself for 10 rupees 8 annas; the average price to the Company that year was 14 rupees 6 annas; as I stated before, this was in the year 1826.

2205. Have you any idea of the comparative labour between one of the natives of India and an European?—From a memorandum made at Tiverton, I find the average quantity of a fifteen cocoon silk reeled there was ten ounces per day from one basin. In India, the quantity of the same sized silk is not more than eight ounces and a half with the best cocoons (otherwise a much smaller quantity), although they wind in India two skeins at once on to the reel, and at Tiverton only one; had they wound two, the produce would be at least sixteen ounces.

2206. Have you made any calculation of what would be the comparative difference of wages?—I have not the means of making the comparison, but in India the wages are ——

2207. Can you describe the system pursued by the Company?—With respect to getting up the silk?

2208. First of all with respect to the advances?—The advances are made to people whom they call Pykars.

2209. On what principle are the advances made?—On a rough guess as to the amount that will be required.

2210. The amount of outlay required?—The amount of silk that is likely to be required. The advances are generally very large. The silk is brought in, and wound at the Company's filatures.

2211. What takes place after the advance is made?—What takes place is entirely between the pykar and the peasant; the resident has no further trouble than to see that the cocoons are brought in and wound off.

2212. Then the resident in no degree superintends the actual production of the cocoons?—No.

2213. Or of the worm?—No.

2214. Or of the leaf?—Nor of the leaf.

2215. Well then, he hears nothing more of the silk until the cocoons are brought to him?—No.

2216. Then does he take some and reject others, or take all that are brought to him?—No; he rejects some if they are very bad.

2217. In short, he inspects them, and makes a selection?—His native people inspect them, not the resident himself.

2218. His native servants, who are acting under him?—Yes; what they call the filature gomastahs.

2219. Then the winding takes place after that?—Yes, and that under the superintendence, I may say, of the pykar; at least he comes to see that justice is done to him; he is always allowed to be on the filature whenever he likes.

2220. And does the resident, or any European, personally superintend that operation?—The resident looks occasionally there, but no one European could be constantly on the spot during the working.

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2221. In short, that work is executed and superintended mainly by the natives? —Mainly by the natives.

2222. Well then, in what manner, or at what time, are the advances of the Company adjusted?—The price of these cocoons is settled according to the produce of them in silk, at so much per seer of silk, the pykar being allowed to take the refuse cocoons, which he winds off.

2223. Is that the only way in which the pykar is paid?—It is the only way.

2224. And that of course forms a deduction; the ryot is paid for the whole of the cocoons, for the whole he produces?—The ryot is settled with by the pykar.

2225. For the whole amount?—For the whole amount.

2226. And who determines what proportion should be selected from the refuse of those cocoons?—It is just those that are not run off, of which the ends break, and which they cannot use; in fact, they are all tried, or at least those that are not rejected at first from their appearance.

2227. Then in what manner are these useful to the pykar?—They wind off into a sort of stuff which they call chassum.

2228. Then who repays to the Company the advance to the pykar?—They are paid in silk, by the silk produced from these cocoons.

2229. Then they are allowed so much on the silk?—Yes.

2230. Now, if there is any difference between the amount of produce and the amount of advance, who is responsible to the Company?—There is always a security taken from these pykars; but they are generally men of large property themselves; I believe no advance is made to them to any extent without security being taken.

2231. What is the nature of that security?—I could not state that; something in the shape of a bond, I believe.

2232. So that if the supply is deficient, the pykar is held responsible?—Yes; and if he goes away, his sureties are answerable for him.

2233. When the silk is wound, what is done with it?—It is placed in the store till it is required to be sent down to the resident to be shipped.

2234. Under the directions of the board of trade?—Under the directions of the board of trade.

2235. Had you an opportunity of examining the silk establishment, and do you think it was on a proper economical footing?—Yes, I should say, generally speaking, it was.

2236. Did you inquire into the salary of the chief of the establishment?—I believe his salary was 200 rupees a month.

2237. That is about equal to 20*l.*?—About equal to 20*l.*

2238. But speaking of the European at the head of the establishment?—The commercial resident?

2239. Yes.—Why, his remuneration would depend on the amount of the investment which is got up, because he is paid wholly by commission, I believe.

2240. Is the house that he dwells in on an economical scale?—It is fit for India.

2241. What do you mean by fit for India?—Why, it is fit to be a country house for a gentleman who, when he is in town, lives in the City of Palaces.

2242. It would not be fit for England then, you think, for a person engaged in the same trade?—I do not mean to say it is extravagant; there are a great many comforts required in India which there are not in England.

2243. Well, it is a more expensive residence than would be provided for a person engaged in a similar employment in England?—Yes, I should say it is; his expenses are considerably larger than they would be here.

2244. From what cause are they larger do you apprehend?—I should say, in the first place, that if he had a house to find for himself, his house-rent would be a very important object; in the next place, his number of servants, and a variety of other things which I can hardly enumerate now; but the expense of living in India, I know from experience, is nearly double the expense of living in England.

2245. If private individuals were to establish silk establishments in India, do you think they would find houses and establishments for their principal agents on the same costly scale?—I should think not.

2246. If the object of the Company in establishing these silk filatures is profit, why should they provide for their agents on a more costly scale than private individuals engaged in the same trade would do?—They may have other objects besides the mere profit; there is their dignity to uphold, and it is of importance I suppose that that should be upheld in the eyes of the natives; the appearance in that way goes a great way with them.

2247. You

2247. You think it is of importance, that the agent of the Company should uphold his dignity, but you do not think that the agent of a private individual engaged in the silk trade should do so likewise?—No, I should say not; neither is it necessary nor yet expected.

2248. Is not that a good reason why the Company, who have to pay not only for the silk establishment as a mercantile speculation, but also for the dignity to be upheld by their agents, should not engage in any such manufacture?—Perhaps it is.

2249. Are the houses in which the merchants live in Calcutta similar to those which merchants in England reside in?—No, I should say they are on the whole more splendid.

2250. And the general style of Europeans in India is considerably more splendid than that of Europeans of the same class in this country?—Certainly.

2251. You stated just now, that living is doubly as expensive in India as it is in this country; will you state in what way it is so?—I should say principally the expense arises from house-rent and servants; the expense of house-rent is very great.

2252. And servants?—And servants.

2253. Are those servants absolutely necessary to your comforts and the protection of your health?—Yes.

2254. Are you aware that the price of silk has fallen in India since 1826?—No; as I have neither seen nor heard anything of it hardly since I returned, I am not aware. When I came away the board of trade were taking measures to reduce the price given to the pykar for the cocoons, in consequence of a great loss having accrued to the Company here; and it was then thought that it would have the effect of opening the field to private individuals again, inasmuch as they would be enabled to give something like the price, or perhaps as much as the Company were giving.

2255. Did the large price given by the Company have the effect of increasing the production of silk?—I should apprehend that it had for a time.

2256. Do you think that was beneficial or otherwise?—It might be useful.

2257. Can you state what was the average amount of silk annually produced at the residency at which you were?—I can state it only for the year 1826; the quantity despatched to the Presidency in that year was 1,355 maunds; I believe the order from the Court of Directors for that year rather exceeded the above quantity.

2258. What was the extent of the establishment of buildings, was it on a large scale?—It was a filature of about 400 basins at the time I was there, but Mr. Marjoribanks applied to have it enlarged; whether it has been done or not I do not know.

2259. Of what description are these large buildings?—The whole of it comprises a large area, what they call there a compound.

2260. Similar to a factory in this country?—Yes, something of the same kind; it comprises the house for keeping the cocoons, the warehouse for the silk, and the ovens for baking the cocoons.

2261. How many hands were employed there?—When they were in full work they would require about 800, I should think.

2262. And for how many months in the year are they in full work?—It is very variable; in the rainy season they generally have all the basins at work, because they endeavour to run off the cocoons immediately, or else they spoil, but at other times there never are all the basins employed; I should say on the whole, perhaps they may work eight or nine months in the year, but they are subject to frequent interruptions from the want of a supply of cocoons.

2263. From what does the want of supply arise?—Sometimes from a failure in consequence of the heat; at the time that I was there the supply at Radnagore had totally failed in May 1827, it was in consequence of the excessive heat.

2264. And the worm died?—And the worm died.

2265. Can you state what amount of population is employed in the production of silk, and in the cultivation of the mulberry tree?—In the neighbourhood of Santipoor?

2266. Yes.—No, I cannot; because the people lay wide; some perhaps at the distance

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distance of twenty miles, and so on; I never heard any estimate of the number altogether.

2267. Do you know what number of residencies there are?—I think twelve where silk is got up.

2268. Each of them under the superintendence of a servant of the Company?—Yes.

2269. Not more than one servant?—Not more than one servant at any one.

2270. Can you state in what parts of the country they are situated?—They are all in the province of Bengal; I do not know that I could name them all.

2271. What was the description of that climate and soil where you were stationed?—The soil was dry, and the climate was reckoned preferable to that of Calcutta, it was not so damp or marshy, it was rather on a rise from Calcutta.

2272. It was considered of much importance to have a dry soil, was it not?—It is reckoned preferable for the mulberry.

2273. And for the worm?—And for the worm I should say too.

2274. Had you an opportunity of getting acquainted with the Company's principal agents, and of ascertaining whether they were persons who fully understood the details of the silk filature?—I should say that in some instances they certainly are not, because they are occasionally removed from a residency where no silk is got up, and placed over one where little or nothing else is got up.

2275. Are they, in your opinion, such persons as a manufacturer would select to superintend such establishments in France or Italy?—I should hardly think that they are.

2276. Are they a little above their business, do you think?—No; I should say that some gentlemen whom I have seen there take a good deal of interest in it, and I would particularly name Mr. Marjoribanks as one. I do not know whether you are aware of his having tried to introduce what he calls a Neez cultivation.

2277. What is the meaning of that?—The principal object of it is to make advances to the ryots without the intervention of the pykar.

2278. Has he succeeded in it?—The thing was in its infancy when I was there. He had applied to the board of trade, and they supported the measure, but not so far as he wished. I remember, in one instance, his saying he wished particularly to try whether he could not have some glazed windows put to the place where the worms were fed, for the purpose of giving them light, and also excluding the cold in the cold season, for these huts are very bad in that respect; they must either have all the air or none, and may be exposed to a great deal of cold in the winter and heat in the summer. Mr. Marjoribanks detailed very fully to the board of trade at Calcutta what he had done with respect to it, and you will see by the letter I saw here on Saturday, that the Court has noticed it in their despatch to India; but whether there are any particulars from Mr. Marjoribanks' letter to the board of trade quoted in the letter to the Court here, I know not; if there are, you will have some valuable information.

2279. Such being the character of Mr. Marjoribanks, do you think other agents, as far as you are aware, have been equally well selected?—I cannot say that I am much acquainted with many others. I did not remain at any other station. I have seen one or two in Calcutta, but have never been in company with them as I have been with Mr. Marjoribanks.

2280. Did you hear many instances of the silkworms dying in large numbers?—Not many instances; but in the case I just mentioned the whole bund failed.

2281. And it was considered in the country as one of the causes of loss and uncertainty?—Certainly.

2282. Would it be possible, by placing the houses where they are fed in shady situations, to prevent that occurrence?—I should think more might be done with respect to building them on an European plan.

2283. Did you ever hear of any chemical preparation being used for promoting their health or comfort?—No, I never did.

2284. The huts you are now speaking of are the huts merely of the peasantry?—Yes.

2285. Which is the most valuable silk, the country or the annual?—I should say that the annual possesses no superiority over the country, excepting that it is rather larger; there is more silk from a cocoon, but the country or dessy worm is the best by far.

2286. Is there much of the wild to be found?—No, I believe not; the Europeans only, as a matter of curiosity, have it brought in now and then to show them.

2287. Have

2287. Have you ever seen any of it wound into thread, so as to judge of the quality?—No; I put in my pocket a specimen of country-wound silk that is wound without a reel [*exhibiting it*].

2288. Can you state what would be the average produce of an ounce of eggs in India?—No, I cannot.

2289. Can you state what quantity of leaves would be consumed by any given quantity of worms?—They generally reckon them, they do not measure them; they take it in this way, that a biggah of plants will feed about a thousand worms a day.

2290. What is a biggah?—It is in the neighbourhood of Calcutta about equal to a third part of an English acre; the produce will feed this number on an average, because in the rainy weather they feed a much shorter time.

2291. Had you any experiment tried as to the quantity and quality of silk produced by the leaf after rains, and during the dry season?—The quantity during the rains is larger.

2292. And the quality?—The quality is very much inferior.

2293. Can you state the proportion of silk that a given quantity of cocoons produce in India?—They generally reckon on an average about a twentieth part; that a maund of cocoons would be about a seer of silk, the cocoon being weighed before the chrysalis is killed.

2294. Are you acquainted with the reeled silk of England and of France?—No, very little.

2295. But you have seen it in Mr. Heathcoat's establishment?—Yes.

2296. You have seen it nowhere else?—Not in England; I have seen Italian and French silks, but none has been reeled in England excepting by Mr. Heathcoat.

2297. You consider yourself a judge of the French and Italian, and English silks?—Not much.

2298. What do you think of the Indian silk in comparison with the silk of other countries?—I should say it is foul and uneven, and what they call endy, having many breaks in it.

2299. And in short is capable of great improvement?—Great improvement.

2300. Why was not the invention that you carried out continued after your departure by the commercial resident?—The experiment was only to the extent of 100 bales, and it was to wait the decision of the Court here; that decision was not for its adoption; they did not consider the improvement sufficient to warrant them giving anything for the use of the patent.

2301. There would have been an expense?—Yes; Mr. Heathcoat would have expected to be paid, having a patent right, so much per pound.

2302. And that expense foreigners had not to bear?—Yes.

2303. Was there a patent taken out in France and Italy?—Yes.

2304. Surely they could have done it in India without any expense?—No, there was counsel's opinion taken upon that, and Mr. Heathcoat's right was considered to extend to India; but the Company would not have taken advantage of it, even if the patent right had not extended to that country.

2305. Was the silk that was wound according to Mr. Heathcoat's plan sold higher than the silk of the season generally?—Some part of it sold at an advanced price. I should say that the cause of the experiment not succeeding fully was, that the fibre of the cocoons was too weak to admit of the application of the plan. But at the same time that one part of Mr. Heathcoat's plan was acknowledged by the natives as a most decided improvement, namely, that of his method of giving the croisée, that the natives themselves acknowleged to be a most decided improvement; and the cocoon of Bengal as now produced is capable of the application of that part of his invention.

2306. Is that part of it continued?—No; no part of it is continued.

2307. But you are not aware that anything has been done of late years to improve the quality of the cocoon?—No, I am not aware that there is; I never heard of any beyond this experiment of Mr. Heathcoat.

2308. Is not a better price given for a good cocoon than for a bad one?—It is in this way, that the more silk a good cocoon gives the better, and the price is regulated by the turn out.

2309. Then it is to the advantage of the grower to make the best he can?—Most decidedly. But cocoons are seldom bought except by native winders or by private individuals when they do wind, and when they are bought they are bought by tale.

 2310. Is

Mr. J. Wilkinson. 16 July 1832.

2310. Is there any suggestion that you would make as to the improvement generally of the management of the growth of silk in India?—I should say, that in the first instance the rearing might be very much better; protection might be given to the worm by buildings on an European plan; and the cocoon produced by the worm might, by attention and care, be very much improved; notwithstanding that I consider the climate of India is certainly against it.

2311. But in buildings well adapted for the purpose, the disadvantages of the climate might be in some measure remedied?—They might be in some measure remedied, but they never would be altogether obviated. They have also a plan of cleaning their silk on the reel, which makes it what the manufacturers call endy; it breaks it.

2312. But is not that carelessness?—No, it is their plan; they will not be beaten out of it. It is a thing that is never allowed in Italy or France. It is cleaned on the reel while the skein is on the full stretch; the consequence is, if they attempt to pull off what they call a gout, they naturally must break the thread in so doing.

2313. Has any new description of worm been recently introduced into India, or have you heard of the introduction lately of any new worm from China?—Not of late years; it is some years, I think, since the last introduction from China.

2314. Do you know about what period?—No, I cannot say; it is many years since; at least I have not heard of any lately.

2315. Did you find Mr. Marjoribanks perfectly ready to afford you assistance in forwarding your object?—Perfectly so, and also the government there; I received every facility. Mr. Watts was then the resident at Radnagore, and Mr. Becher at Rungpoor.

2316. Was Mr. Grout's agent there when you were?—No, he had returned some years.

2317. What was his name?—His name was John Brown.

2318. Did you hear when you were there that the rent of land for the production of silk was much higher than the rent of other land?—Yes, considerably so.

2319. Was it supposed to require land of a superior quality?—I do not know that it is; I am not aware of that; I could not speak with certainty to it.

2320. But is it not the case, that in many places the silk lands let for four times the rent of other lands?—I should hardly have thought so much as that; they let for a considerably higher rent.

2321. To what cause have you heard the difference ascribed?—To its being a more profitable way of cultivating it.

2322. Who determines whether the cultivation shall take place or not; is it the resident who determines in what part of the country silk shall be cultivated?—I believe it depends on custom more than anything else.

2323. Is the pykar in general a landowner?—I should think he might very very likely be; they are generally men of property, but whether landowners or not, I cannot say with certainty.

2324. What was Mr. Marjoribanks' reason for trying to get rid of the pykars?—He thought he could get the cocoons at a smaller expense, and bring people more under his own superintendence to come nearer to him, and in that way he might look over them himself and save expense; he considered these people were useless, these pykars.

2325. In short you distinctly consider that the Bengal cocoons are capable of great improvement?—Most undoubtedly so; and the silk materially improved by winding with greater care and attention.

Lunæ, 13° *die Augusti*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

Nathaniel Wallick, M. D., called in; and Examined.

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2326. WHAT office do you hold under the East India Company?—I am Surgeon on the Bengal Establishment of the Company's Service, and Superintendent of the East India Company's Botanic Garden at Calcutta.

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2327. The Committee understand that you have turned your attention to the botanical and agricultural resources of India?—Yes, I have.

2328. Will you state what works or papers you have published upon those subjects?—Various papers, connected partly with the botany of India, and partly with the agriculture of India, in the Asiatic Researches, in the Linnæan Transactions, and in the Transactions of the Society for the Encouragement of Arts in London, in the Transactions of the Agricultural and Medical Societies of Calcutta, also a paper in the London Horticultural Society's Transactions, and I have published two large works, entitled "Teutamen Floræ Napalensis," and "Plantæ Asiaticæ Rariores."

2329. What are the principal products to which you have turned your attention?—In the course of my service under the Company, I may say I have attended to most of the subjects which are connected with the agriculture of India; but officially my attention has been particularly directed to the forest, and the timber productions of India, and the resources connected generally with those objects, embracing drugs that are produced from trees, dyeing woods, and likewise to other matters, such as to plants producing cotton, food for silk besides that species of mulberry which is peculiar to India; I have likewise attended to the subject of coffee, sugar, and lately tea.

2330. What are the other plants to which you refer as being used in the production of silk?—There are, I may say, in India, two plants that are most extensively applied to the feeding of the silkworm; the one is the mulberry, and the other is the castor oil plant, or the Palma Christi, as it is generally called. The mulberry is infinitely the most important, both with reference to the extent of its cultivation, and with reference to the product of the silkworm that is reared by it; it is the best silk which is produced from mulberry. Inferior kinds are produced from other plants, especially from the Palma Christi; also several kinds of the laurel tribe, belonging to a genus called *tetranthera* (subdivided again into others by modern botanists), the latter is especially applied in the north-western provinces of Bengal to the rearing of a coarse kind of silkworm called muggadhuti.

2331. Have you turned your attention at all to the nature and fertility of the soil?—Yes, I have.

2332. Can you state what in the different parts of India to which you have turned your attention is the description of soil to be found generally, its depth, and degree of moisture?—I would beg to confine myself, if I may be permitted, to those parts of India which I have visited. I should commence by stating that, generally speaking, the soil of India is very superficial. I have a particular reason, which I shall presently explain, why I should say that it is very important to keep that circumstance always in view, that the soil is very superficial. It is generally not more than six inches deep. To that circumstance I would attribute the extraordinary failure which has, to my knowledge, on various occasions, attended the attempt of introducing European modes of tillage. I can mention particularly one example, if it is the desire of the Committee that I should, namely, the experiment made with the English plough in Bengal.

2333. Does your remark extend equally to the neighbourhood of the rivers?—Generally speaking, to that kind of land that has produced any of those articles that form the staple produce of India. Every rule has its exceptions, and of course the alluvial lands would, generally speaking, have deeper soils than others; but the alluvial lands near the great rivers or near the seaside, are generally not, from various reasons, those that are most in cultivation.

2334. Will you state the reasons?—If the Committee would permit me I would begin with Bengal. The soil of Bengal consists almost throughout of a vegetable mould, more or less modified, in consequence of its greater or less admixture with sand or clay. When I speak of Bengal, I would beg to be understood as speaking of those provinces that are generally called the Lower Provinces, extending as far up as Bahar to the north; to the east, as far as Chittagong, and to the west as far as Cuttack. Although certainly a champaign country, it is in some degree varied in point of elevation, and hence arises its greater or less liability to annual inundation, either from the river Ganges and the Burhamputra and their tributaries, or from violent rains, hangs one of the greatest points respecting the produce. It is one of the difficulties connected with the husbandry of Bengal, that large tracts of land cannot be had of an equal description, therefore, if a person for instance would engage in the cultivation of coffee or of sugar, two articles that require entire exemption from inundation, he would be obliged to comprise within the area of the land

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for such plantation, at least one-third of lands that would be utterly unfit for his immediate purposes, and he must therefore reckon upon deducting from his profit the loss incurred by the necessity he is under of introducing other objects of cultivation on the above-mentioned third part of his land.

2335. Relatively to other countries with which you are acquainted, what is your opinion of the general fertility of the soil?—I believe that those parts of India generally that I have visited, are inferior to no part of the world in fertility of soil and richness of produce. I have only visited India; I may say that I have seen the Brazils. From personal experience, of course I ought not to speak of any part of India except of those that I have had opportunities of examining thoroughly. I can point them out to the Committee on a map I have brought with me, and which I have had engraved expressly to indicate the routes of various agriculturists and naturalists in India. I have seen a good deal of cultivation in the Isle of France; I consider India equal to any part of the world in point of fertility and abundance of produce.

2336. Do you consider it equal to the Isle of France in its capacity for growing sugar?—Yes, I do; I would beg to say that I consider it equal, not only with regard to sugar, but with regard to coffee and cotton.

2337. Do you consider it equal to the Brazils also with respect to those products?—I do; I should think so; I would not hesitate saying generally, that the soils comprised within the Company's territories, are equal in fertility to any soil in any part of the world; it is not inferior to the most fertile soil of the Isle of France. The Isle of France produces a species of mould excessively rich, such as is not often equalled, except at particular places in continental India; yet it is so excessively scanty and so intermixed with rocks and stones, that a proportionate loss is sustained which is counterbalanced on the continent of India by its greater abundance; I speak of the Isle of France from personal experience during a period of four months.

2338. What descriptions of grain are best suited to the soil of India?—You may almost divide the lands in the Indian possessions, as well as the people, into two classes, according to the nature of the grains that are cultivated by them. The one class of territory I would call the rice territory; and the other, the white grain, the wheat and barley territory. The natives of Bengal, who are consumers of rice, always meaning by Bengal that extent which I have before stated, are an inferior race of people, in comparison to the people that feed chiefly on wheat or barley, but they are more industrious. A great number of grains are cultivated besides those just mentioned; some of the most beautiful kinds of millett and other grains are produced, which are beyond all comparison for the richness of their produce; but the misfortune is, that they require better and more elevated situations than what the husbandry of Lower Bengal will admit of; they would in Lower Bengal cultivate those kinds of grain if it were not for the nature of the land; it requires higher land.

2339. Is the production of Indian corn, which is best known in America, grown also in India?—Yes, it is to a very trifling extent, comparatively speaking; it is difficult to say the reason of this. It is supposed to be a very excellent grain and most productive; but there is a prejudice generally amongst the natives that it is unwholesome, and that prejudice reaches from one end of India to the other. That prejudice, according to Dr. Hamilton, is entirely unfounded, but still it exists; and, strange as it is to say, a very large quantity of that grain is cultivated, not as a staff of life, but for eating almost in a raw state, more as a condiment than anything else.

2340. You have mentioned the survey of Dr. Hamilton; will you state what provinces were embraced in that survey, and what is your opinion of that work?—Dr. Hamilton, between the years 1807 and 1813, surveyed the following districts: Dinajpore, Boglepore, Rungpore, Purnea, Behar, Shahabad and Goruckpore; I believe that there never was produced a more complete work of this kind; the materials accumulated by that naturalist are of the most extensive and comprehensive description; the work supplies an inexhaustible source of sound and useful information. The only defect of that survey is, that being so very extensive, and comprising so many districts, which of course must correspond with each other in many material points, there is a great deal of repetition; but with a good index, with such an index as a survey ought to have, and with a good deal of condensing, I do believe, and I would risk anything upon the truth of this assertion, that there exists nowhere any survey superior to it in value. I may perhaps take the liberty

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to mention, what the Committee may perhaps have heard respecting Dr. Hamilton's Statistical Survey of Mysore. An objection has been urged against this admirable work: it is objected that it is an extremely tedious book; but I should be inclined to consider this, if indeed founded on reality, to be rather in favour of than against such work. A statistical survey is not a book that is intended to be read for amusement, by any means; and a person that would expect to take up Hamilton's Survey as a book for amusement, might as well expect amusement from a nautical almanack, or from a table of logarithms; but at the same time I would beg to observe, that the only deficiency in Hamilton's printed Statistical Survey of Mysore is, that it has not so complete an index as could be wished, upon the perfection of which depends the value, in a very great measure, of such a work.

2341. What is your opinion with respect to the general character of the husbandry of Bengal?—I should say, that upon the whole, the husbandry of Bengal has in a great measure been misunderstood by the Europeans out of India. The Bengal husbandry, although in many respects extremely simple, and primeval in its mode and form, yet is not quite so low as people generally suppose it to be; and I have often found that very sudden innovations in them have never led to any good results. I have known, for instance, European iron ploughs introduced into Bengal with a view of superseding the extremely tedious and superficial turning of the ground by a common Bengal plough. But what has been the result? That the soil, which is extremely superficial, as I took the liberty of mentioning before, which was intended to be torn up, has generally received the admixture of the under soil, which has deteriorated it very much.

2342. Do you consider that the husbandry is susceptible of any great improvement?—Certainly; but not to so great an extent as is generally imagined: for instance, the rice cultivation, I should think, if we were to live for another thousand years, we should hardly see any improvement in that branch of cultivation. Other cultivations are more or less susceptible of improvement, but not to that extent that is generally supposed. The indigo plant, as it is now cultivated, (I do not speak of the manufacture) is probably not susceptible of any great improvement.

2343. Are you well acquainted with the indigo districts?—Yes, I have seen a number of them; I have been chiefly in that district which is considered the principal, namely, Tirhoot.

2344. Is it not considered that great improvements have taken place in those districts since the introduction of the Europeans?—Undoubtedly; I merely spoke of the cultivation of the plant. Those people that are engaged in the cultivation of indigo, are still obliged to adopt the old method of advancing to ryots or to the peasantry for their supply.

2345. Entertaining such a high opinion as you do of the fertility of the soil, to what causes have you generally referred the extreme poverty of the people?—I believe I shall be able to explain satisfactorily to this Committee the cause of this state of things. Whoever has been in India must have found that the ryot will never exert himself beyond what will give him his daily food; a person will never go out of his way, and will never exert himself beyond what is necessary to produce the minimum of profit. I have never seen an instance to the contrary. For instance, taking those that fell and deal in timber, although the timber will be double or treble the value if a man will stoop down to cut it near the ground, he will not do that because it gives him the additional trouble. It is that want of providence which I believe nothing will remedy, except that glorious system which we now see which has been adopted throughout India, that of educating the natives and bringing them to a higher state of civilization.

2346. Are not the Bunyers a most industrious class of men?—They are so to a certain extent; but the reason why in India so many men are employed upon one and the same work, is really attributable only to this want of foresight. A native of India will never exert himself beyond what is necessary to procure the minimum of profit. To this state of things it is owing, for one instance, that the cotton plant is almost always reared as an annual in India, whereas in America and the Leeward Islands, it is triennial.

2347. You have mentioned the forests of India as having particularly engaged your attention; is it your opinion that the timber of India might become a commercial resource of greater importance than it is at present?—Undoubtedly.

2348. Will you state your reasons for maintaining that opinion, and the particular parts of India to which your observations apply?—I have visited a great many parts of India, particularly with reference to the timber forests, from the

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Oude territories to Dayoo Dhoon, along the frontiers of Nepaul, and likewise those on the river Irawaddy and in Martaban, and I find that there is no description of timber in the world that either these countries do not possess, or of which they do not possess, if I may call it, the representative or substitute.

2349. What are the kinds of trees to be found on the north-east frontier of Oude?—The staple of that part of India is the Saul tree (*Shorea robusta*), the Sissoo (*Dalbergia Sissoo*), the Toon, the Jarrool, the Mango, which is a most excellent sort of wood for ordinary purposes, and a very great variety of others. The Teak is entirely confined to Malabar, and to the Burmese dominions, partly those that still remain Burmese, and partly those that have come into the British possession, and lastly, to Java.

2350. For what purposes would you use the saul?—Partly for ship-building purposes, and partly for house-building; it is also in a great measure applied to the construction of gun-carriages, and to other military purposes.

2351. Is not Calcutta chiefly supplied from the Oude district with saul?—Chiefly from Oude and Goruckpore, but strange to say, there has been a falling off which has been felt in the most serious manner; a falling off, not only in the production of saul, but also in the production of the timber that has hardly any substitute in India itself, the sissoo. A great falling off has been experienced by the Supreme Government in Bengal in the supply of bamboos, which ought never to have been experienced; and a committee was formed about eight years ago with a view to remedy so formidable an evil as a want of bamboos, which is the universal building material for the lower order of the natives of India; a good sized bamboo has for many years not been procurable in Bengal.

2352. Will you state the cause of that?—The reason is a very clear one, and one perhaps that may be applied by way of a preventive against similar defalcations. Calcutta used formerly to be supplied from a place called Moorshedabad. A large jungle consisting of bamboos used to supply from time immemorial all Lower Bengal with bamboos of very noble dimensions. About 15 years ago when the station of Burrampore became unhealthy and sickly, it was supposed that the bamboo jungle was the cause; it was entirely cut down. In the first place the sickliness was not remedied, and in the next place the great source from which Lower Bengal, chiefly Calcutta, used to be supplied was at once cut off. One of the finest productions, independently of the many others that we have in our Eastern lately acquired territories on the Martaban coast, consists in superb bamboos, as we have nothing equal to this sort any where. I have seen stems of such gigantic diameter that I could almost put my head into the hollow part of them; they grow to a height the most astonishing.

2353. Have those bamboos that have been cut down grown up again?—No, there is a peculiarity in the bamboo as well as in the sugar, and a number of other products belonging to the same tribe of plants. It is this: that the term of their existence ceases the moment they have done blossoming; the consequence of which is, that whenever a group of bamboos goes into blossom, that group invariably dies, every stick of it, down to the end of the roots. I have seen a very curious instance of that at a place called Rampore, in Rohilcund. I visited Rampore in 1825. There is a belt round it of about 40 fathoms in diameter, belonging to the rajah; when I was there the whole of that belt, comprising millions of stems of bamboos, had been in one simultaneous blossom, and the consequence was that there was not a single stick alive; they were all leaning upon each other. The chieftain to whom Rampore belongs, most judiciously did not allow a single one of those bamboos to be cut away, but allowed them to remain to protect the young bamboos that spring up from the grains of the old ones. The consequence was, that at the time when I saw it, there was a succession of young bamboos protected by the old bamboos, and which would in a few years form a source of great profit to the man.

2354. Are the Committee to understand that the price of timber in Calcutta has been increased of late?—Yes; the supply of saul, of sissoo and of bamboo have fallen off very much.

2355. What has caused the falling off; are not the forests of Goruckpore very abundant?—The great point which must be taken into consideration in an Indian forest is its proximity to the water, and the facilities of conveying the timber to the nearest depôt, or the nearest port. The natives have in a most injudicious manner felled all the timber that was good and large, both young and old, and often they have done this in that most injudicious mode I have described already; the consequence is, that every good stick near the river has been allowed to be carried away, and

and now for every bow of timber that you wish to procure, you are obliged to go to a distance, and to convey the timber from a distance that most materially enhances the price of it.

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2356. Would not that be obviated if Europeans might be allowed to form establishments there for conveying the wood to the nearest rivers?—Most undoubtedly. I should say, that if there is any point in which European skill might be profitably employed, it would be in establishing saw-mills, and in establishing local depôts and local half-wrought material depôts, by which means the enormous risk that is experienced by timber being floated down entire from Cawnpoor and from Goruckpore would in a great degree be obviated. Very often the consignments of timber are lost on the rivers; these losses might be avoided, and better means of land as well as water conveyance than are now employed no doubt devised. But I would beg to be understood as speaking chiefly with reference to our lately acquired territories east of the Saluen river in Martaban, and on the Tenasserim coast, where the forests are not so destructive to Europeans as those in Hindostan.

Martis, 14° *die Augusti*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

Nathaniel Wallick, M.D., called in; and Examined.

N. Wallick, M.D. 14 Aug. 1832.

2357. WILL you state what are the different varieties of timber in India applicable to building purposes of all descriptions, including ship-building?—There is a very large variety of timber; the staple timbers of Hindostan are the saul, the sissoo and the teak, both for ship-building and for house-building; and I would add for native buildings the bamboo, but there is no country in the world which has a greater number of forest timber applicable to every possible purpose.

2358. Have they pine or oak?—In the greatest abundance; there are eight species of pine trees in Nepaul, in Gurwal, Kamaon and Sirmore, towards and on the Himalaya, and there are nearly twenty species of oak.

2359. Are the yarrow, or red pines, known in America, to be found in India?—The species of Indian pine, with the exception of four, are totally distinct from the pines of the north of Europe or of America, those two are the purple coned pine, (*Pinus Webbiana*) which is remarkable, as a kind of dye or indigo is produced from the cones of it; another is the *Pinus Longifolia*, remarkable for its long leaves; thirdly, a sort called *Pinus Excelsa*, resembling the Weymouth pine; and lastly, the Deodara, which is very like our cedar. But all the Indian pines are remarkable for their immense size.

2360. Are they accessible?—The only difficulty with regard to the mountain oaks and the pines is in the conveyance to the plains; but I should say, that would be one of those points to which European skill would be particularly applicable, because the natives in India have no idea of those means of conveyance by slides, &c. which have been used with so much effect of late years in America and in Europe. It is a very singular fact, that the paramount deficiency in the Indian management of timber, is the absolute want of any regular system of seasoning; the timber that is felled to-day is likely to come into the market to-morrow, and to be sold and employed within a twelvemonth of its being felled, and to that circumstance more than to anything else I would attribute the woeful devastations by the white ant and by the dry rot which are found to prevail in India, especially in houses, and likewise in ships and boats. The natives have no idea of the necessity of timber being seasoned; and if it is seasoned in India it depends entirely upon the man not having been able to sell it, for he never lets the timber lie over for the purpose of seasoning.

2361. Is that supposed to have led in any degree to the falling off in ship-building in Calcutta?—No, I should suppose not to the falling off in ship-building; teak being the chief timber applicable to that purpose, is dependant on the inadequacy of the supply of timber.

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2362. The timber on the Saluen river is not very accessible is it?—Yes; I should say that the teak on the Saluen as well as the Attran, is as accessible as the timber in any forest that is called accessible.

2363. The large timber is several miles from the river is it not?—At the utmost two miles; and I should consider that an exceedingly moderate distance.

2364. Have you any reason for supposing that the timber of India might become an article of foreign trade?—I believe it might.

2365. What Asiatic countries would be likely to afford a demand for it?—I am not so much alluding to Asiatic countries as to European; it is a notorious fact that a kind of tree is imported from Africa, the African oak, of which the natural history, even the name of the tree, strange to say, has continued a problem up to this day; no one knows what the tree is; it comes from the interior of Africa, and is much more expensive than timber ought to be that is imported.

2366. Is that timber used in India?—No, I only learned that since I came to this country; it has received the name also of African teak, from its participating in the extrordinary property of the teak to resist the dry rot and the rusting of iron; it contains a peculiar sort of oil. I have reported to the Government, and I am still of opinion, that the timber on the coast of Martaban would for a long time be adequate to maintain all the government expenses of those provinces.

2367. How would you propose to dispose of the timber?—I should establish half-wrought timber yards, local timber yards, and supply the depôts at Calcutta and at Bombay with half-wrought materials, depôts not only for the building of ships, but for the construction of military machines, gun-carriages, and things of that kind.

2368. Are there not forests as fine, and more accessible, to be met with on the coast of Malabar?—There are most admirable forests there, but the forests that used to supply the Bombay docks and the docks at Calcutta with Malabar teak, which is peculiarly fitted for building, had fallen off from the extreme exhaustion of those forests, but in our newly acquired territories on the Martaban coast, and the coast of Tenasserim, the forests are in all their richness; there is a circumstance connected with these forests which would at once strike any man conversant with botany; there are four or five species of oak which grow upon the coast close to the seaside, attaining very large dimensions, and being much esteemed by the Burmese.

2369. Are there many forests on the banks of large navigable rivers that are already more or less exhausted?—As far as the question relates to Hindostan, I should say there is not a single one of the available forests that can be mentioned that has not been partly exhausted, and all of them have been ill-treated, owing to the most barbarous proceedings of the natives in felling the trees, and the means of conveyance of the natives; they always take those very near them, small or large, young or old. I have no hesitation in asserting, and I have stated it to the Government in reports on that specific subject, that unless speedy provision is made for the renewal of those forests for the supply of timber, we shall, within a very short time, find a most painful falling off, that the present means, speaking of Hindostan, would be inadequate; and I mentioned yesterday, that even in such an article as the bamboo, which I would compare to nothing less than the seacoal of England, as one of the indispensable necessaries of life, there had been a great falling off. This attracted the notice of Government in the year 1823, and induced the Government to appoint a committee to consider of measures for improving their mode of obtaining supplies; the suggestion made by the committee was finally abandoned, that of establishing large plantations.

2370. If the forests have been to this extent exhausted, what induces you to believe that the supply of timber would become a great commercial resource in the hands of British settlers?—In the first place, the supply of timber I adverted to has been drawn from the Upper Provinces of Hindostan; but when I mention that the supplies might be subservient to exportation, I meant, particularly to refer to the supply of timber in our newly acquired territories, that has never been touched even by the Burmese.

2371. Would not labour be very dear in those new provinces?—Certainly, and I should conceive that is a great drawback.

2372. Would not that in fact be a bar to the use of those forests?—No, I should think not; I should think that they are thinly peopled in comparison to our continental provinces, yet the population when I was there was coming in rapidly.

2373. Have you understood that any supply of timber has been drawn from those provinces?—No, not to the extent which I think at all desirable.

2374. Have

2374. Have you never heard that it was found too expensive to work them?—No, I should not conceive that to be the case; I was sent myself by Sir Archibald Campbell, at a time of the year when it was almost hopeless to bring anything down with me, with a few of the pioneer department, and we levelled with the ground a very large stray of teak, and had it cut up in lengths and had it measured. We did the whole business in one day. Nothing of course would be so conducive to the increase of population as the employment of the natives for this and other purposes.

2375. Is not the neighbourhood of forests generally unhealthy?—Dreadfully so except in these new forests; that is not the case there; most unaccountably, but it is the fact, that a forest in the newly acquired territories may be entered at any time in dry or wet weather. The forests to the north of Hindostan are so unhealthy, that Europeans will find it difficult to live or work in their neighbourhood, except during a few months of the year.

2376. How has that been ascertained?—I can speak from experience during several years; the interior of the Burmese countries has been known to us from the year 1824, when the Burmese war broke out, and I was there in 1826 and 1827. Rangoon is surrounded with jungle and forests; Amherst and Moalmyne are close upon the forests.

2377. If the Asiatic timber were brought into use in Europe more extensively than it has been hitherto, you conceive the supply must be drawn from these provinces?—Chiefly, until the resources in the mountains of India can be opened to advantage.

2378. As to the timber of Hindostan, you rather anticipate a deficiency of supply?—Yes; I should expect that by proper management of these forests, they would be sufficient for the local wants, but not for exportation.

2379. To what circumstances do you attribute the fact that the timber of India has not been in more general demand in Asia or Europe?—It would be exceedingly difficult to say. No country on earth produces a larger or more valuable supply of timber than India does; but there have been certain sorts of timber selected for certain purposes, and the people in India have always directed their attention to those few sorts, and have never troubled themselves, from the circumstance that they have had a supply in great abundance, until of late years. Now the supply is falling off, I dare say their attention will be directed to others. I am happy to find that experiments have been made in this country by Major-general Hardwicke, which have induced the Company to send out to India wrought-iron gun-carriage wheels for trial there, as a substitute for wooden ones.

2380. Does China import timber?—Not that I am aware of; the only description of wood imported, except dyeing woods, are rattans.

2381. With respect to the obstacles to the introduction of Indian timber into this country, are you aware how it happens that the timber of India has not been more generally used?—I am not aware that there has been any particular want of Indian timber here; timber from America, as well as from European states, has supplied the wants of this country.

2382. We import oak from Africa?—That has been generally very little; I know that the naval departments here are desirous of Indian timber.

2383. Have you any general remarks to make with respect to the forests of India which you have not made already?—I should say it is quite time that means should be resorted to to preserve those forests which are remaining, and that new plantations should be made.

2384. Will you state what, in your opinion, are the products of India which are most likely hereafter to be of commercial importance?—Sugar, cotton, coffee, silk, indigo and tobacco; I should say, perhaps, tea likewise; these being the commercial matters which are of most universal use and application for purposes of commerce. There are others which India has formerly been thought capable of supplying, but which, in consequence of particular circumstances, have been abandoned; for instance, hemp: it has been supposed that India produces kinds of hemp which are unequalled, even in comparison with the Russian hemp, for their strength of fibre; I speak especially of the Caloo hemp.

2385. Have you named these products in the order of their importance?—I think I have.

2386. What is your reason for supposing that sugar, of which the export is at present but limited, is likely to be an article of greater commercial importance than indigo, the export of which has greatly increased, and is now very large?—Because

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I consider indigo at most is limited in its consumption; sugar, I should conceive, perfectly unlimited; the only limit upon its consumption depends on the price of it.

2387. Have you any means of estimating the amount of consumption in India itself of sugar?—I am unable to do that satisfactorily.

2388. Is it in general use among the natives?—It has no parallel but rice and salt; it is exceeded in consumption only by rice.

2389. You conceive, that independent of commercial grounds, there would in respect of sugar be a great field for the investment of capital for improvement in the cultivation and manufacture of it?—I was particularly referring to the exportation; but I should go one step farther, and say, a more judicious selection of cane; and above all, a more fit and economical extraction and conversion of the juice into sugar, would occasion a much greater demand for the article of sugar.

2390. Is not the manufacture of the rudest kind?—Of the rudest kind which can be imagined.

2391. Do you not conceive that the failure of the natives in producing superior cotton for the foreign market, is wholly attributable to their want of skill?—I should not attribute it to their want of skill so much as to that extraordinary feature in the character of the natives, that they will not do that at a greater advance of capital, or with greater exertion, which would give them a better return, if they can get it for less trouble by the use of less capital; they are the most improvident of the whole human race in that respect.

2392. They have every variety of cotton in India, have they not?—I believe they have; I believe that India produces of itself every variety of cotton; it is my opinion, that the justly celebrated American Sea Island cotton is actually in cultivation in several places in India, but owing to the manner of husbandry among the natives, it very soon loses all its principal characters for goodness, and returns to the quality of the original wild species.

2393. Are you not aware, that after experiment, it has been considered to lose that peculiar character which belongs to the Sea Island cotton when grown in the neighbourhood of the sea, that that has been attributed to the change of climate consequent on its removal from the shore?—In a great measure, certainly.

2394. That the deterioration has been owing rather to that than to the want of skill and care on the part of the natives?—I conceive not to that alone; I should say that the miserable husbandry, which never allows cotton to outlive a season, if it remained even on the sea coast, would be quite sufficient to deteriorate any cotton. In America, the Sea Island cotton is never allowed to be an annual; but in India, among the thousands of plantations, if you find one that is a perennial, it is a remarkable thing.

2395. Was it not found, that the cotton can be produced of excellent quality in the Island of Salsette, but that when taken into the interior it lost its character?—My opinion undoubtedly is, that the proximity to the sea in Sea Island cotton is a very necessary condition for continuing the excellence of that variety of cotton. It is known, that in China the good kinds of cotton are all cultivated in the vicinity of the sea: A superior kind of cotton from the coast of Martaban, which I have brought home and delivered samples of at the India House, are not exceeded by the cotton of any other country in the quality of the staple, or the facility of separation from the seed. Those cottons from Martaban, which I have seen in great abundance, are all cultivated near the sea.

2396. The American gin was not found to answer, was it?—It was sent out only a few years ago.

2397. Was it not found to be inapplicable to the cotton of India?—I have not heard of that result; the native implements of India, rude and simple as they appear, should not lightly be imagined to become suddenly, or at once, superseded with any advantage.

2398. Is not the raw cotton of India remarkably foul?—Undoubtedly the cotton as brought home here is extremely foul, for causes which reflect no credit on the Indian commerce in cottons; the people who deal in it do not take those measures which would at once prevent that circumstance.

2399. You consider that there are imperfections in every stage in the cultivation, the cleaning, the packing, and the conveying?—Yes, and the final preparation of the packages for transmission to Europe.

2400. With respect to the packing and conveying, what are the principal defects?—The extreme badness of the boat in which the cotton is conveyed, principally

that

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that sort called a patella, a huge ugly floating mass of wood, on which the cotton bales, which are very large, are placed on each other without any sufficient protection against the weather, and they happen to be sent down to Calcutta during the season of the year when rain is most expected; they lie on board those boats four or five months, then they are brought to Calcutta in a dirty and filthy state, such as might be expected to be the result of so barbarous a mode of treatment; they are then put into cotton screws, which are very ill regulated, not worked in a proper manner; but the cranes are turned by the natives, and the same bale will be screwed one minute by perhaps 20 men, and the next minute by 50 men, the consequence of which is that there is an unequal pressure; with a quantity of the seeds screwed into them, and in the state of dampness and mouldiness in which they are imported, the bales are sent on board. It is in my humble opinion impossible that the finest cotton upon earth, under such treatment, could arrive here in any better state than Bengal cottons are imported. I would also mention, that from the manner in which the cotton is cleansed, parts of the oily substance of the seed is allowed to remain, and that not only discolours the cotton, but gives it an oiliness, and a peculiar liability to become mouldy.

2401. You consider that there is great room for improvement with respect to the production of coffee?—Certainly.

2402. What are the principal defects?—It is only a late cultivation altogether; in 1823, I originated the cultivation of coffee upon an extensive scale. The Government, in a string of most liberal resolutions, which were issued upon the occasion, allowed planters to engage in the cultivation of that article under facilities which have never been conceded to any other branch of planters in India, namely, permission to hold lands for a long series of years, and to grow on *certain portions* of those lands *bonâ fide* intended for coffee, any other article.

2403. To what extent has the cultivation been carried since that period?—To a considerable extent.

2404. By whom is the coffee thus produced consumed?—Coffee is an article of production which requires a number, at least 10 years, to come properly into the market, being a shrubbery plant; a number of mercantile houses, as well as private individuals, have entered upon the cultivation; there are at this moment several plantations cultivating coffee, and some has been sent home.

2405. What is thought of its quality in India?—I will say for myself, I never used to drink good coffee myself except that produced in the Company's garden at Calcutta.

2406. What extent of land has been laid out in coffee?—At the lowest I should say 10,000 or 12,000 biggars in Lower Bengal; a biggar is about one-third of an acre, making about 4,000 acres.

2407. Are those lands generally held by Europeans?—Yes they are.

2408. Under the regulation of the Government?—Yes; a regulation which was liberal in the highest degree, inasmuch as it allowed Europeans to hold land on long leases, which has never been done before. The cultivation of coffee could not have been engaged in for particular reasons, if the Government had not granted that facility.

2409. Have you ever had occasion to observe the condition of the natives upon those coffee lands, whether it was improved or not?—The first coffee plantation was established in 1823, the time since has hardly allowed an opportunity for showing what can be done; it is no time of gathering and drying at present; it is a subject on which Europeans certainly have exerted themselves greatly.

2410. Have you engaged in it yourself?—Yes, I took the lead, under the express sanction and approbation of the Supreme Government.

2411. Is there any particular part of India which you think peculiarly fitted for its cultivation?—Yes, Bengal and the Burmese territory; the Upper Provinces I consider entirely unfit for its cultivation.

2412. You consider that both sugar and coffee might be produced to any extent?—The consumption of coffee is limited in comparison with that of sugar; the Hindoos do not drink coffee, only the Mahometans and Europeans do. Sugar is used by all classes, its consumption is almost unlimited.

2413. Is there any religious prejudice against coffee?—No, not to my knowledge, but the Indians have not a knowledge of it any more than of tea. The higher order of Hindoos drink tea almost as a medicine; and though the Burmese consume tea it is of a very miserable sort, and to improve that sort they pickle it. I believe that pickled tea is the sort used by that nation.

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2414. Do you not think they would be very likely to consume eventually both coffee and sugar?—I should say coffee and tea, as well as sugar.

2415. Is it not the fact that many now drink wine who some years ago would not?—I should be extremely cautious in attributing to the Hindoos of India the habit or even an inclination avowedly to drink wine. I hope that amongst the Hindoos in the army the custom may never be introduced.

2416. You consider it repugnant to their religion?—Perfectly against their religion. The Mahometan will drink wine, but no respectable Mahometan will do it unless the door were shut. The King of Oude has asked persons to drink wine at his table, but then he was supposed to be absolved by his superior rank.

2417. With respect to silk, do you conceive that there is much room for improvement in the production of it?—Yes; not so much in respect to the worm itself as with respect to the mode of feeding the worms and rearing the plants they are fed upon; I am not sanguine in supposing any improved breed can be introduced from the south of Europe, with respect to the worm itself.

2418. What are the difficulties with respect to the mode of feeding and rearing the worms?—The cultivation of that kind of Indian mulberry which is applied in the greatest degree in India to the feeding of the silkworm; the natives who cultivate them labour under the same kind of inherent character they manifest on other occasions; they will not rear the plant in such a manner as to make the supply anything more than a very scanty leaf; a man who can supply exactly the quantum necessary for the filature in his vicinity, would not take the trouble to go beyond that; I should think it would be extremely well worth while to cultivate the arborescent kinds. Throughout the Bengal provinces the dwarf kind only is cultivated, which consists in shoots, cuttings that are allowed to remain a very short time, a very few seasons; the extreme rapidity of the produce is what the natives aim at, that which will give them an immediate return; but that return is not so great as it would be if they adopted that mode pursued in the south of Europe, of having mulberry trees in cultivation. I must remark, however, that the dwarf or shrubby sort is considered by the natives as infinitely the preferable sort, on account of the rapidity, richness and juiciness of the produce.

2419. With respect to the indigo plant, how do you account for the success which has attended the production of those plants which yield indigo, while the natives have failed in bringing to any perfection so many other products of which the country is capable?—I should attribute that entirely to the extreme facility in the growing of indigo, and the abundant crop which is produced in favourable seasons, almost every where in Bengal in the Upper Provinces it being an annual, a plant that the natives have merely to sow, and they take very little care, and it produces them a *prompt* return of money, which is the object the natives always have in view, a return for the smallest amount of labour; but the great superiority of the indigo, as a commercial article, hitherto, I should say, has been depending upon the wants of the foreign market; the foreign market required such a supply of that article, as to lead a number of Europeans into a minute investigation of that particular produce.

2420. Do you not consider that European capital has stimulated the industry of the natives in those districts?—As far as indigo is concerned, most assuredly; the native indigo is beyond all description bad; I speak of the indigo as it used to be supplied, before European skill and capital came into the market.

2421. Since that period you conceive there has been a striking improvement in the manufacture?—Exceedingly striking; even the mode of manufacturing by the natives themselves has been improved.

2422. Has the husbandry of those districts been improved also?—I should conceive so; a great deal of capital has been allowed to flow into those particular provinces.

2423. Is the vegetable plant from which indigo is now produced, likely to continue the exclusive source of that branch of the trade?—I should think not; it is almost desirable that it should not.

2424. What are the plants which produce indigo?—There are several plants which produce indigo; there is a kind of asclepias which produces the Sumatra indigo, an indigo brought to light many years ago by Mr. Marsden, the celebrated author of works connected with India. The same species of asclepias, or one very nearly resembling it, is a native of Bengal. There are, besides the indigo tree, various species of shrubs of the genus *Indigofera*, which produce indigo. I have found

found a species of this last-mentioned tribe with leaves several inches long, and apparently containing a large proportion of colouring matter.

2425. Tobacco has been introduced into India from the Western Hemisphere, has it not?—Yes, from time immemorial; it has no native name, which is a sure proof it is not the produce of India; but it has been in India from time immemorial.

2426. What is the present extent of its cultivation?—It is one of the smaller cultivations in India, it is rather limited in comparison with the articles I have before referred to.

2427. It is produced rather for domestic use than as an article of foreign trade?—Only for domestic use. I brought with me a kind of tobacco from the Burmese country, which was reported upon by brokers in London as being equal to the best from the West Indies.

2428. How do you account for the fact that the East Indies never produced any of this tobacco?—The tobacco in India is altogether bad. There is a kind of tobacco which is much prized in this country, that which bears the name of Masulipatam snuff, grown in the Northern Circars to a very limited extent however, and converted into snuff at Masulipatam, on the coast of Coromandel. Another kind of tobacco produced in Bundlecund, at a place called Belsa, and as limited in its production almost as the Burgundy or Champaign grape is limited in Europe. My object in mentioning these facts is to show that India is capable of producing good tobacco. The natives of Hindostan consume a great deal, but they do not consume it in the raw state as Europeans do.

2429. Do the mass of the people consume tobacco?—Yes, the majority consume tobacco, both Mahometans and Hindoos; but notwithstanding that the relative quantity of tobacco used is small, because they mix it up with molasses and spices, as well as with certain fruits, such as plantains and preserved apples, into a substance, which is smoked in that particular kind of pipe called the hookah.

2430. Is that preparation used by the lower orders of natives?—Yes, universally almost, low and high.

2431. Is tobacco used in China at all?—Yes, to a certain extent, more or less, with opium.

2432. Is it an article of import?—I believe not. I have known some of the excellent Havannah tobacco grown at Boglepur on the Ganges, by an European gentleman.

2433. Can you state the weight of tobacco which can be produced in one year from an acre of land?—On very rich land it has been known that eight maunds, that is 80 seers, a seer being about two pounds avoirdupois, has been grown; but on the average it may be said that four maunds would be considered a fair return in green leaf.

2434. Is the lac dye likely to interfere with indigo?—I should suppose not.

2435. What are the plants which produce lac dye?—There are a good number of them; several species of figs, of jujubes, the polash or dak, a sort of cytisus called by the natives Urhur, even a sort of mulberry tree, besides others.

2436. Have there been any improvements introduced lately in the preparation of dye?—Yes, in the extraction of the dye. I understand a French gentleman, in the Upper Provinces, I think at Mirzapore, on the Ganges, found out a mode of extracting a dye, which he kept a secret, the produce of which far exceeded any that had been heretofore seen in the market.

2437. Does it appear to you that there is any improvement in the production of that article?—Certainly.

2438. Does it appear to you that the dye is extracted in the best manner?—It is considered an inferior article, because the operation employed in India for extracting it is very crude, but the article itself is very important.

2439. What are the purposes for which it is used?—For the purposes of dyeing, the same as vermilion is used and cochineal; it is a red dye, for the dyeing of cloths; the plants which yield the lac dye are not a few; I have, however mentioned the most important.

2440. With respect to the spices, cinnamon, cardamums, alspice, pimento and pepper, do you consider that the production of those articles might be carried to a greater extent than at present?—Certainly, to such an extent as to be limited only by the demand.

2441. Do you consider that by the application of skill and capital the cost of production might be materially reduced?—I should hardly suppose the cost of those

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articles could be much reduced, that is almost brought to its minimum, and we must always depend upon the natives for the cultivation of those articles; the question would depend on the facilities for exportation, the exportation into foreign countries.

2442. If you do not think the price is likely to be reduced, why do you think that there would be a greater production?—I speak of the export of those articles, that it would be much greater if there was a greater consumption; this is limited I believe only by the price.

2443. Have you any suggestions to offer respecting the mode of feeding horses, elephants, camels, sheep and oxen?—All I can say is, that for any number of animals either for conveyance or for consumption, any quantity of food might be produced in the utmost possible abundance in India; with respect to the food of camels and elephants, I should think it extremely desirable to provide a more ready and abundant supply of food for them than has been done hitherto.

2444. How do you conceive that can be done?—By planting those trees which are extremely easily cultivated in India, which form the staff of life for them; the particular Indian fig-trees are not produced in that abundance near large stations to supply food for those animals that feed on them.

2445. Are horses fed on trees, as well as camels?—No.

2446. Is not the butchers' meat of Bengal extremely bad?—I should say it was extremely good.

2447. Can you get a good leg of mutton in Calcutta?—I think superior to any to be commonly found in the markets of London; I will not say superior to Welsh mutton; Bengal mutton, or rather Patna mutton, is a small breed, very much resembling South Down.

2448. What is the cost of butchers' meat?—I should say it is moderate in Calcutta. In speaking of butchers' meat I refer only to the situations in India where there are European settlements; though the Mahometans are allowed to eat meat, their consumption is limited in comparison to that of Europeans.

2449. Do you consider India to be capable of producing potatoes and yams?—To the utmost possible degree; I am very glad to have an opportunity of mentioning that the potato is one of those articles which has found its way within the last six or eight years into their domestic economy. They have no name in Sanscrit for it, for it is a foreign plant in India; but it has found its way amongst the people, and they are fond of it. It is produced in abundance, and is very cheap, owing to a circumstance which occurred five years ago; the supply of the potato in Lower Bengal used to be derived from the Upper Provinces, Bahar; the crop failed there, and the Court of Directors were requested to send out a fresh supply from England, which they did within the shortest possible time; I believe from the day of the despatch being sent from the Bengal Government to the day the supply came out was no more than eight months, and that gave a fresh impulse to matters; I speak of 1823 or 1824, since that the Upper Provinces have been supplied from Bengal. I would say I have not tasted a potato in England superior to those which may be had in the market of Calcutta and Patna.

2450. Do they form a cheaper article of food for the natives than rice?—No; but it has been thought desirable that their sustenance should be improved; there is more sustenance I believe in the potato than in rice; it would make them a more robust race if they were to feed on them, I believe.

2451. Can you state what is the number of new articles of produce which have been raised in India, or brought into extensive cultivation within your experience?—I should say in strictly agricultural matters, and in matters applicable to commerce, that coffee is almost the only one. A great variety of fruits, the produce of foreign and distant countries, has been extended to India; they have become objects of cultivation by natives as well as Europeans, and their introduction has added a feature to the native character which is novel; they participate now in the pleasure of European gardening to an extent which is quite remarkable. Formerly rows of beetel nuts, the tagetes plant, or some antiquated things of a similar description which have not much variety to recommend them, used to be the extent of the native art of horticulture; now there are very few natives who can afford to have a house in Lower Bengal, near the European stations, that do not indulge in a little pleasure ground.

2452. Do you not conceive that the natives generally are turning their attention to commercial pursuits more than they did formerly?—I should say naturally they would do so in the neighbourhood of commercial towns that are flourishing.

2453. Have

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2453. Have you paid attention to the cultivation of the poppy?—No; except on one point, on which I wrote a paper eight or ten years ago, containing a statement of the preparation which the Bahar and Patna opium undergoes before it is purchased by the natives of Penang and China, and elsewhere, and with reference to the consumption of opium at Penang, the relation between the prime cost of that opium and the retail price. The memoir has been inserted in the Calcutta Agricultural Society's Transactions.

2454. Have you anything to state with respect to coffee and tea in India, in addition to what is to be found in your paper, which is before the Committee?—Since I had the honour of presenting my observations to the President of the Board of Control for India Affairs, I have collected a good deal of matter connected with the tea cultivation in China, and the mode of gathering the leaf. Mr. Reeves, who has lately come home from China, has favoured me with much valuable information on all those points. I have likewise to offer some remarks on the manner in which I would suggest that a small experiment ought to be made with regard to the cultivation of it. I abstained from entering upon that subject in my report as being matters of detail.

2455. Have the goodness to state what has occurred to you upon that subject?—The great point would be to get the genuine good kinds of tea from China, an object of paramount importance, which would require great care and caution. Unless the Government authorities in China were to interfere in a prudent and cautious manner, with the view to obtain, without offence to the Chinese, the genuine kinds of tea, I should not recommend any attempt at making experiments in India, for they would never lead to anything satisfactory. The teas should be of the genuine good kinds. In the next place a very cautious selection should be made of the spot on which the experimental plantations, I would call them experimental nurseries, were to be established. I would have very careful people to take charge of them; and I should as a general rule say, make the experiments rather on a small scale than a large one; the only thing I should look to beyond a satisfactory result of the experiment itself, would be the practicability of making the plantation repay the cost of it.

2456. Is there any particular province you would recommend?—There are various provinces; I might recommend the provinces of Kamoon, Sirmore, and some more.

2457. Have you seen a plan for forming a joint stock company for the growth of tea on the Nepaul mountains?—Yes, one was communicated to me soon after my coming to England, by Mr. Walker.

2458. Do you conceive that situation would be a favourable one for the experiment?—There are some good arguments in that production, speaking of it only in an agricultural view; but I do think that many of the premises are wrong, and the author has only, as it were accidentally, arrived at the right conclusion with respect to the probability of tea being cultivated on a large scale in India.

2459. Do you consider the situation properly selected?—Some of the situations mentioned are decidedly bad; he speaks of the cultivation of tea at Java and Penang, where we know it is a complete failure; and since I submitted my report upon tea, there has been sent to me samples of Java tea as fair and good samples, and I should say that poor must be the man in England that would drink the best of them.

2460. Should you feel sanguine that a company properly formed with that view, would get a return for their capital?—Certainly not; I should disrecommend it *in toto*, for we are on trodden ground. I have submitted my views, but after all the matter is problematical; experiments have been made so perfectly without reference to those points which ought to be kept in view, that they can lead to no result whatever; we are just where we were before tea was ever tried as an article of cultivation in India.

2461. Do you think that the experiment should be in the first instance made by the Government?—I think so decidedly; the Government would select officers in whom they could repose confidence, partly for the selection of the shrubs in China, and partly for the carrying into effect the experiments on a limited scale; they have means which I believe no individual could command; but I beg particularly to state, that it should be a limited experiment, not an experiment attended with any very great expense.

2462. Is there any other statement you have to make upon these subjects?—I will only state, that the Company's territories in India are productive of every

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article which can conduce to the happiness of man, and it only requires skill and ingenuity, and encouragement both to the natives and to Europeans in India, to select everything that can possibly be desired.

James Cosmo Melvill, Esq. called in; and Examined.

J. C. Melvill, Esq.

2463. THE nominal amount of the Company's subscribed capital is six millions?—It is.

2464. How much of that was actually paid up?—Some of the capital was subscribed by authority of Parliament at rates exceeding 100 *l.* per cent.; the last subscription was 200 *l.* per 100 *l.* stock. The whole sum paid up by the proprietors amounted to 7,780,000 *l.*, independently of the dead stock which existed at the time of the union of the two Companies, and which was valued at 400,000 *l.*

2465. It was in 1793 that a further subscription was authorized, was it not?—It was in 1793 that the last addition was made to the capital.

2466. What was the value of the Company's commercial property in 1793?—I am not aware that any statement has been made of the Company's commercial property in 1793, when, as the Committee are aware, the account of the territory and the trade were not separated.

2467. Would it be difficult to take it from the stock computation?—I apprehend such a statement might be prepared.

2468. Do you think it would be possible to separate the commercial debts and assets of the period of 1793 from the territorial debts and assets, upon the same principles as were applied to the separation in 1814?—I think it would.

2469. The amount of capital really employed, as computed on the first of May 1829, is 21,102,182 *l.*?—It is.

2470. Will you explain how the increase upon the original six millions has arisen, commencing first with the period of 1793 to 1813?—I apprehend the increase between 1793 and 1813 must have arisen from the addition made to the capital in 1793, and from an accumulation of commercial profits.

2471. Will you state on what principle it was that the Court made the assignment of debts and assets to territory and commerce at the commencement of the present term, which is found on their stock per computation in 1815?—That has been explained lately in a letter from the Court to the Board, from which I will read the following passage, viz.—" The provisions of the Legislature for the separation of accounts in 1813, became the easier of execution by reason that one of the most important questions connected with this subject, the character of the India Debt, had been previously determined by the Legislature itself; the Charter Act of 1793 having described this debt, as 'incurred in the defence and protection of the British possessions in India,' and that of 1813 in its financial provisions referring to it, under the express appellation of 'Territorial Debt.'

" The debts due in England as the consequence of the Indian Debt (bills drawn for principal and interest, loan from the public raised to discharge such bills, &c.), obviously fell under the same classification, and were so stated in the home accounts; and with regard to the loan of 2,500,000 *l.* from the public, the Act of 52 Geo. 3, c. 135, as well as the Charter Act of 1813, clearly determined its territorial character.

" In regard to the Bond Debt, so clear and unequivocal a guide did not exist, and therefore it was for many years retained as an item in suspense; but on a recent occasion the Court have explained to the Board the grounds upon which they are convinced that this debt also is territorial.

" The separation of the Assets was accomplished with but little difficulty. As respected those abroad, the great mass of the property of which they were composed was employed for services connected with the Territorial Branch: the Quick and Dead Stock Accounts, even prior to 1813, showed the amount existing in each department of government (the Commercial being then one of such departments); but the classification of that period being in some respects erroneous, directions for adapting it to the system to be in future observed were sent to India with the public letter to Bengal of 6th September 1813.

" The Assets at home and the property afloat were obviously for the far greater part of a commercial character, being employed in operations necessary to carrying on the Company's trade, and having been derived from commercial sources. The few cases of exception, such as the balance due from Government on account of sums expended in military expeditions and other political services, and the amount of

of a remittance of treasure on its passage to England, for the purpose of discharging political demands at home, were considered to be territorial, according to the principles of classification applicable in India to the transactions in which these assets originated.

"The separation which took place in 1814 thus respected the property actually existing in each branch, together with the ascertained liability of each, and sufficient, it is presumed, was thereby accomplished for the future distinct exhibition of the financial operations of the two branches, during the continuance of their union as one concern.

"The Board will not fail to observe, that the separation of debts and assets in 1814, was independent of the ultimate territorial claims of the Company as a commercial corporation, which, during the term granted to the Company, were reserved by the Legislature (53 Geo. 3, c. 155, s. 95), the full extent of which it will rest with the Court to bring forward, under the sanction and by the authority of their constituents, whenever circumstances may render that course necessary."

2472. Was that division and assignment the subject of arrangement between the Board and the Court in the same manner as the division of the account was provided for between them?—No; the plan for the separation of accounts which was framed with the approbation of the Board was prospective; but the Board of course had cognizance of the accounts in which the separation retrospectively was made, upon the principles contained in the passage of the Court's letter before quoted.

2473. Do you consider the commercial proprietors to be liable by law to the territorial debt?—I really do not feel myself competent to give an opinion upon that point.

2474. Do you know the form of the obligation?—I believe the obligation is expressed in the name of the Company of Merchants trading to the East Indies.

2475. Will you state what you consider will be the debt due from the territory to the commerce at the close of the present term, according to the latest estimate?—Between four and five millions.

2476. What remittances have been ordered since 1828–29, in payment of the debt due from territory to commerce?—Remittances were ordered of one million in 1829–30, one million in 1830–31, and of 600,000 *l.* in 1831–32, to be effected in bullion, or in bills upon the security of cargo.

2477. Bullion has been received in discharge of the two first orders?—Yes, it has, and bills also.

2478. Can you state what rate of exchange was realized?—About 1 *s.* 11 *d.*

2479. Can you state what has been the profit on the China trade in each of the years since 1828–29?—In 1829–30 it was 924,000 *l.*; in 1830–31 it was 1,078,000 *l.*; and in 1831–32, 932,000 *l.* These are the results supposing the funds furnished from India to China to have been remitted at the mercantile rates of exchange for bills in London upon India, instead of the Board's rates.

2480. Will you explain to the Committee the circumstances under which the Company would be entitled to the payment of 1,207,560 *l.* the amount of East India annuities grafted on the 3 per cent. Reduced Account, by the 33 Geo. 3?—That I can from the proportion of East India annuities due by the public to the Company; and the condition of every new arrangement between the public and the Company has been, that at the expiration of that arrangement the sum in question should be repaid to the Company at par; that was a condition of the Act of 1813. (*Vide* also 33 Geo. 3, c. 47, s. 7.)

2481. To what part of the arrangement do you refer, to the exclusive trade?—It is that clause in the enactment which declares that both the term for administering the territorial revenues and the exclusive privilege of trade shall cease upon three years notice, given after the 10th of April 1831, and upon payment by the public to the Company of the East India annuities held by them.

2482. At what period did that balance, which forms the subject of that enactment arise, as a debt due from the public to the Company?—It was much larger in 1750, and was soon after that reduced to its present amount by sales of the East India annuities, rendered necessary by the military expenditure in India.

2483. Is there any particular reason why this amount of annuities was not sold as the others were?—Although not sold, the Company have occasionally borrowed upon that security; they were of course unwilling to dispose of this part of their commercial property, which when paid to them by the public must be at par.

2484. Will you state whether you consider the system of Indian finance and of trade, as connected with financial arrangements provided by the Act of 1813, as being

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being complicated, and whether they might be rendered more intelligible?—My impression is, that the financial clauses of the Act of 1813 are complicated and obscure; the working of the system, however, appears to me to have been perfectly intelligible, although there may have occasionally arisen doubts of the precise meaning of the different provisions in the law.

2485. Has it not in its operation led to much difference between the Board and the Court?—There has been a difference of opinion upon two of the clauses respecting the remittances from India, which the Board consider applicable in the first instance to the discharge of interest of the Indian debt, whilst the Court give the priority to the payment of the ordinary territorial charges; but I think that the Board's rates of exchange are the main cause of that difference of opinion. Those rates which do not apply to the interest are so unfavourable to the Company's trade, that the Court have been naturally desirous to protect the Company as far as possible, and an anxiety on the part of the Board to let the Indian territory have as large a benefit as possible from those rates.

2486. Are there any suggestions which it occurs to you to offer, with a view of improving that system of finance, and the accounts generally in the Act of 1813? —It would I think be desirable that accounts in the shape lately rendered by the Company to the Board, should be presented to Parliament, instead of those which Parliament now requires; I mean accounts which exhibit cash balances at the commencement and at the end of each year, and all intermediate receipts and payments.

2487. You refer to the two sets of accounts, called the Commercial and Territorial Revenue?—Yes.

Mercurii, 15° *die Augusti*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

N. M. Rothschild, Esq. called in; and Examined.

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2488. WILL you have the goodness to state what course you should recommend to be taken in the event of its being necessary hereafter for the government in India to remit annually from India to this country, an amount varying from two to three millions sterling?—I should recommend to the Government for a few years to try gradually to remit in specie, either silver or gold; and as the trade from India will be open then, the Government can give great facilities to different people in trade; they may then take bills on England. Hitherto the trade from this country to India has been carried on through the India Company and half a dozen India houses; if you wish to sell on the Royal Exchange a bill on India, the only purchasers were such houses as Messrs. Fletcher & Alexander, and Messrs. Cockerell and others. To this trade a great capital is wanted, as the bills which go to India will be six months going, and until the returns will come again will be from six to eight months more; on that principle it is not possible that Government can sell immediately so many bills on the Royal Exchange, as there is not capital enough on the Royal Exchange for that object at present, as particularly the trade of India is only in a few hands; but if the India trade were opened, there is no doubt in time a great many bills could be sold on the Royal Exchange to different merchants who will then deal to India, but for the present I think the Government would do well for their own purpose, gradually to send from India specie, and in that case not to oppress the market in India, to establish an office there, and the party who receives the money in India to lend the money to some of the merchants at a small rate of interest, and gradually remit it home in specie, or lending the money to merchants that will keep the money in circulation, which will do good to the Government and to the merchant; and if the Government wants money, to issue Exchequer Bills upon that money which they receive. Suppose that money cannot be remitted as it shall be wanted in England in six months, and that the people in India will be obliged to have more time, 12 instead of six months, if the Government want money, they may for that little time issue Exchequer Bills to straighten their accounts till the money comes in; this is the best course I can recommend to the Government.

2489. Do

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2489. Do you think taking bills with the bills of lading of cargoes as security would be a good and safe mode of remittance for the Government?—Certainly, it would be a very good mode; it can be done by acting upon that principle, and giving great facility to the trade with India, but the Government must do it with responsible persons.

2490. Do you not think, through the medium of the different public docks, there is every facility for securing the proceeds of the cargo to the person who advances on the bills of lading, without the Government employing themselves in an expensive agency for disposing of the cargoes here?—The dock companies will receive any cargoes of vessels entrusted to them, and I have no doubt they will do all that may be required in appropriating their proceeds to the rightful owners.

2491. What proportion of the value of the cargo would you approve of their advancing?—I would advance 75 per cent. immediately in India, and if the property shall come to England and shall not meet the amount advanced, the consignee or manager in England shall be required to deposit five or ten per cent. more.

2492. Are you aware that the trade to India is perfectly open?—Yes, I am aware that it is, except the China trade.

2493. What is your opinion of the effect of remitting large sums in bullion from India annually?—There is no doubt that would do ultimately not much good to India, taking away all her specie, but this must be judged by the parties who are there, seeing how the circulating medium is; it must be judged of by the Government at the time.

2494. Would the effect depend on the means of procuring specie, if India, by exporting her own commodities to China or any other country, is able annually to receive a large amount in specie, in that case the annual remittance of specie will not be so prejudicial?—Certainly not; but if the principle I mentioned before is followed, that there shall be some person of respectability who shall look into it and guide himself according to circumstances; if the money is very plentiful he may send specie to England, if money is scarce he shall do the contrary, and shall try to lend that money on consignments to England, and on collateral security there, by which he will do good to India and to this country, because if the goods fall too much, people will be alarmed at purchasing in England lest the goods should be lower, so that the party who receives that money, if he is respectable, may do good to India and to this country.

2495. How is the Government to judge of the respectability of the party?—Government must send out two or three persons there for the purpose of information on that matter.

2496. The value of a cargo of course must depend upon examination; would you take a gentleman's word as to the value, or examine the cargo?—I would take a gentleman's word and examine the cargo besides.

2497. In the case of Government making large remittances from this country for the purpose of carrying on a continental war, was it in the habit of purchasing bills, or did it employ agents to purchase them for the purpose of making remittances to the continent?—Agents were employed.

2498. Would not the two cases be precisely similar, the Indian government purchasing bills on England, or the English government purchasing bills on the continent?—The difference is this, there is a great deal of trade going on from England to the continent, perhaps by 1,000 merchants, so that they may easily buy bills on the continent; but the trade of India has been in very few hands at present; by opening of the trade they may have more chance of doing the business in the same manner as it is done on the Royal Exchange here, in the purchasing of bills on European towns.

Sir *John Hall*, called in; and Examined.

Sir *John Hall*.

2499. WHAT was the quantity of goods of every description deposited in the warehouses of the St. Katharine's Dock Company on the 1st of January last?—Fifty-two thousand tons.

2500. What was the quantity of goods landed, housed and delivered, during the year 1831?—Two hundred and fourteen thousand tons.

2501. What is the estimated expense per ton of goods upon landing, housing and delivering, including the usual internal operations in so far as relates to the disbursement for actual labour?—About 6*s*. per ton.

 2502. What

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2502. What is the permanent establishment of the St. Katharine's Dock Company, and what the annual charge on that account?—There are nineteen directors, the amount of whose salaries is 2,950*l.* a year; 78 salaried officers, 13,682*l.*; the amount paid for wages during the last year for foremen, labourers, coopers, ship-workers, messengers, apprentices, gate-keepers, the police and firemen, 34,000*l.*, making a total of 49,532*l.* It is necessary I should here observe, that the permanent establishment of the St. Katharine's Docks, with relation to labourers, is only 150; we have a second class of labourers, called preferable labourers, consisting of 250; and the third class of labourers, who are distinguished as extra men, who having tickets are entitled to be employed as the service may render necessary, by which means considerable economy is introduced in the management, inasmuch as at all periods no more than 150 men are to be provided for by the Company, the whole of the labour being regulated by the demand of service.

2503. What are the other annual expenses incidental to the management of the business of the Company?—The amount of stores and materials expended during the last year upon the extent of business before stated was 6,000*l.*, insurance from fire, 500*l.*; rates and taxes, 6,500*l.*; the repairs, including addition to plant, fixtures and machinery, 2,500*l.*; and incidental charges, which includes lighterage, expense of steam vessels, coals, and losses by accident, 5,000*l.*; in addition to which the Company have a superannuation fund, which is established on a novel and improved principle, as none of the officers of the establishment, or the labourers, contribute to it, but the Dock Company set apart every year two and a half per cent. upon the amount of the sum expended for labour, and five per cent. upon the amount of salaries, which is invested, and constitutes an accumulating fund, so that any officer or person in the service of the Company meeting with an accident whilst in the discharge of their duty, or when at the age of 65 being no longer competent to the due execution of their duties, would be entitled to have their claims considered by the Directors as to whether any superannuation should be allowed him or them, or not. This fund is entirely, as to its disposal, in the hands of the Directors, without the possibility of any legal or equitable claim being raised by the officer, if the Board should not consider his merits as deserving a favourable consideration.

2504. Is it understood that except in case of accident, or in case of a servant reaching 65 years, he is not entitled to allowance?—He is not even entitled to have his claim entertained, unless incapacitated by accident; at the age of 65, if still competent to the discharge of his duties, he would not be entitled to any superannuation; the allowance would only be extended to such who from accident or incapacity produced in the service of the Company are rendered unserviceable previous to the age of 65. The amount so set apart last year amounted to 11,000*l.*, so that the total disburse of the St. Katharine's Dock Company for the last year was 71,130*l.*, being the charge upon the conduct of the business. The total amount of outlay of the Company is about 2,150,000*l.*, which is composed of the following items; 900,000*l.* for buildings, and works connected therewith; 850,000*l.* paid for the site, and for compensations; and 300,000*l.* for works in the engineer's department; and the residue for interest paid the proprietors on investments prior to the opening of the docks, law charges, plant, fixtures, &c. To the 71,132*l.*, last year's expenditure, having borrowed the remaining monies beyond the fixed capital of 1,352,000*l.*, the Dock Company pay annual interest 4 per cent. for the loan, which makes an annual charge of 34,000*l.* to be also provided for prior to being able to pay any dividend, making together a total of 105,000*l.* as the annual charge upon the Company.

2505. Do they not pay a dividend on the capital?—From the period of the passing of the Act until the opening of the docks, the proprietors received 4 per cent. upon their investment, which is included in the general outlay, and since the opening of the dock, the Dock Company have paid a dividend of 3 per cent.

2506. What is the average amount of rent per ton for goods by the year?—£.1. 2*s.* 6*d.*

2507. What do you consider would be a fair return for the investment of capital in such an undertaking as the St. Katharine's Docks?—I should consider 6 per cent. a fair return for the investment of capital, taking the chance of further profits in the capacity of warehouse-keepers.

2508. What extent of additional business beyond that conducted last year would yield an income equal to a dividend of 6 per cent.?—One-third increase of business would

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would yield an increase of dividend equal to about 100 per cent., inasmuch as the source from which such income would now be chiefly derived is from warehouse-rent. We have at present about 50,000 tons of goods in warehouse, which, if increased to 70,000 tons at the rate of rent I have described, would, with the attendant increase of business, produce a sufficient income to warrant a dividend of 6 per cent.

2509. Are you acquainted with the mode in which the East India Company conduct their warehousing business?—I have some knowledge of it, though not intimately acquainted with the immediate details; but it is a subject as connected with the trade of the port which has been constantly under my notice for many years past.

2510. Do you think it is economically conducted, or that it is susceptible of a less expensive management?—I conceive it is conducted at a very large expense, and certainly is susceptible of a very considerable reduction; I will mention one item, namely, labour only. I understand the East India Company have a permanent establishment of from 2,700 to 2,800 labourers, for which I am satisfied sufficient work cannot be found during the whole year; the East India Company's labourers are also better paid than the labourers are in the St. Katharine's Docks. The extent of pay in the dock for permanent labourers for eight hours work is 2*s.* 8*d.* per day, and we generally get an additional half-hour, part at commencement and part at the termination of the hours, making eight hours and a half, less a quarter of an hour for refreshment; whereas the East India labourers for the same time would at their rate of pay get 3*s.* 6*d.* per day; in addition to which, without intending to cast any reflection upon the practical management of the East India Company's warehousing business, it is natural that in an establishment where appointments do not take place by influence or patronage, the men are not only better looked after, but more work is obtained, from a spirit of emulation and a desire of promotion, than in an establishment where such appointments are governed in general by patronage and influence, which I believe is the case with the East India Company. It is understood that the expense of labour alone paid in one year by the East India Company has been 160,000*l.*

2511. Do you think, considering the nature of the goods warehoused by the East India Company, taking the amount of tonnage, the number of labourers, and the circumstances of those labourers, that a fair comparison might be made between the East India Company's warehousing system, and the St. Katharine's Docks warehousing system, by comparing the tonnage of the two establishments, and the expense of labour in each?—I see no difficulty in establishing such comparison whatever.

2512. Do you think that it is a rule of three sum?—No, not quite so, as there is one and a chief branch of their trade confined to tea alone, and the way to arrive at the comparison would be, to dissect and separate that branch from the remaining branches of their trade, when the residue would, as a matter of comparison, be ascertained upon the principle of a rule of three; the other would be an addition of the expense attending the internal operations upon tea.

2513. What other article of trade is there which you think would best admit of comparison with the article of tea?—None whatever; the greatest portion of the increased labour on tea is in the mending of the chests, and the sorting of qualities, and putting them on show, which is a very tedious operation, and the assortment and sampling certainly requires considerable skill.

2514. Is the mode of levying rates by the East India Company, different from that of other dock companies?—It is; the East India Company levy their rates by an *ad valorem* per centage, varying from one and a quarter per cent. to seven and a quarter per cent. according to the tariff of the several articles. The principle upon which the rates of the Dock Company are calculated is, first with reference to the expense of labour, next, the cost of material, and last, the profit added thereto necessary to produce a fair remuneration upon the capital invested. The *ad valorem* rate of charge of the East India Company, is on a great number of goods extremely heavy, whilst on some few it is very low.

2515. The effect will be to make it on some articles disproportionably high, and on others disproportionably low?—Certainly, according as the market rises or falls; and since the prices of some articles have been much depressed, we have found about half-a-dozen of them usually lodged with the Dock Company, which have now been placed under the management of the East India Company, their *ad valorem* mode of charge not covering the expense of working the goods, so that the con-

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signees have found it better worth their while to place them under the East India Company; on the other hand, there are other goods, which being of great value, the rates operate the other way, and the East India Company have nearly lost the whole of the sale of several staple commodities, such as cotton, saltpetre, sugar, drugs, &c., which at one period formed some of the chief articles of their periodical sales. The charge on indigo is extremely heavy, as compared with what it would be if warehoused and sold by other parties.

2516. As the East India Company sell the goods of merchants at periodical sales, would there be any difficulty on the part of the St. Katharine's Dock Company affording a similar accommodation to the merchant, and at a reduced charge? —None whatever; for a considerable period, prejudice has existed in favour of the mode of management of the East India Company, sufficient cannot be said in favour of it, but the charge exceeds the proportional advantage in very many instances.

2517. What charge would you consider it reasonable for the St. Katharine's Dock Company to make?—I can take upon myself to say, that the St. Katharine's Dock Company would be content to perform the management generally at one-third less than the rate charged by the East India Company; deducting one-third of the rates now levied by that body *ad valorem*, the Dock Company would be content to take those rates as a remuneration for the mere warehousing and management, charging rent and delivering charges in addition.

2518. Taking the amount of rates levied for warehouse room, and the amount levied for care, you say, putting the aggregate of the two together, the St. Katharine's Dock Company would do it at two-thirds the amount?—Yes, generally, with some few exceptions, and assuming the same privilege as to exemption from auction duty, as enjoyed by the East India Company.

2519. Are not all goods sold by the East India Company free from auction duty?—The Act of the 19th Geo. 3, c. 56, s. 13, exempts all goods sold by the Court of Chancery, by the Exchequer, the Customs and Excise, the Ordnance, the Victualling and Navy Boards, and the East India Company and Hudson's Bay Company from auction duty; I think it is clear, that the intention of the Legislature was to exempt the goods belonging to the East India Company only, but from no inquiry having been made into the practice, merchants have sent up goods from Liverpool and various places, after trying to sell them ineffectually, and have placed them under the East India Company's management, and by that means the auction duty upon sale of private property has been evaded.

2520. What is the actual duty charged on goods, the property of the importing merchant?—An half per cent., by Treasury order, dated 17th September 1816, provided the goods are sold for first time, and have not changed hands from the first importer, limited to twelve months; so that if the goods have been previously put up to sale at Liverpool they would, according to my interpretation of that Act, not be exempt from auction duty if sent up and sold at the East India Company's sales.

2521. Have not the East India Company some arrangement with the East India Dock Company, under which they pay them an annual sum for the use of their docks, and has not this agreement led to directions from the East India Company to their officers in India to compel every ship, having on board goods of the East India Company, to proceed into the East India Docks to discharge, by which the consignees of the remaining portions of cargoes have been put to much expense and inconvenience in removing such goods to more convenient places of deposit?—The agreement between the East India Company and the East India Dock Company, I have understood to condition a payment for the use of those docks of 30,000 *l.* per annum, so long as the charter shall continue, which secures to the East India Company the use of the East India Docks, and of their warehouses; the effect certainly has been such as is embraced in the question, namely, that directions have been issued by the East India Company to their officers in India, subject to some slight modification, to compel vessels on board of which goods are shipped in India on account of the East India Company, to proceed to the East India Docks to discharge, the object of which compulsion is to fill the warehouses there, and to derive the advantage of the landing and wharfage charges; but the course of trade has latterly been such that the private trader generally prefers having his goods deposited in a place more proximate to the seat of business, where, for the examination and personal inspection it is more convenient; the chief part of such goods have therefore been removed

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at the desire of the private owners, either by lighters or by land-carriage from the East India Docks, and deposited chiefly in the warehouses of the St. Katharine's Dock Company. The consequence of the arrangement referred to between the East India Company and the East India Dock Company has also been to produce a course of business which must be attended with very considerable expense to the East India Company, as some goods arriving in the St. Katharine's Docks on board ships from India, placed under the management of the East India Company, with no other object than to fill the warehouses hired at the East India Docks, are removed from the St. Katharine's Docks by lighters down to the East India Docks, and goods are also frequently removed in like manner from St. Katharine's Docks to the East India wharf at Billingsgate, an establishment which I should think well worthy the consideration of the East Company to dispense with. As a practical man, I cannot discover the slightest advantage of that establishment, which is attended with a great and useless expense: the lighters or hoys, which are a part of the establishment, must also be attended with an enormous expense, as they are frequently sent in for a small parcel of goods; lighters equal to 150 or 160 tons, having a crew of from four to five persons on board; the latter is the number I have seen on board, but whether any of them were elders or persons sent to superintend the loading I cannot say.

2522. You have not made any calculation what your rates are upon the average per cent. upon the goods?—No, I have not; but I have investigated sufficiently the table of rates of the East India Company, which is governed by an *ad valorem* charge, to say that the St. Katharine's Dock Company, as before stated, could generally afford to conduct the business at one-third less of most articles, if the merchants would send their goods, and place them under the management of the St. Katharine's Dock Company, and have a sufficient profit. Take the article of indigo, for instance, by way of comparison, it is subject to two and a quarter per cent. upon the value. Estimate a chest of indigo to be worth 75 *l.*, that would bring the rate and lot money to about 32 *s.* a chest; the St. Katharine's consolidated rate would be 17 *s.* 6 *d.* a chest, to which add for management of public sale, (free of auction duty,) 2 *s.* 6 *d.* to 3 *s.* 6 *d.* a chest, would bring the expense to 21 *s.* per chest, as compared with about 32 *s.* per chest, in that case the difference would be one-third less, although on indigo greater than on goods generally, the article being of great value; on the other hand there are some goods, which, from their low value, the rates do not remunerate.

2523. In your opinion has the relaxation of the Navigation Laws, as respects the trade with India, had an injurious effect on British shipping?—I think it has been beneficial; but I was of opinion at the period of the alteration of the law, and which has since been confirmed, that its effect would be limited, as the trade from the ports of India to the continent of Europe is different in its character to anything like a general trade; a British ship, for instance, lying on for a general cargo in India would most probably fail in the object; unless the investment or the operation were connected with an original design of sending the ship out, or the loading consist of a whole cargo, the relaxation of the law permitting the ship to proceed to the ports of Europe would not be materially felt. I am decidedly of opinion that if some arrangement could be made with the French government, with respect to the principles of our Navigation Law, which they now enforce against us in regard to goods the produce of India, it would be very beneficial, and I view it in this way: at present the French government interdict the importation of all goods, the produce of Asia, direct from this country into France; they have had two objects in that regulation, the first was to encourage their own direct trade by which India goods coming through this country for the purpose of consumption in the ports of France (for they cannot dispense with various of the articles) are subject to the expense of a transit through Flanders, the expense of which operates in favour of their primary object, namely, to encourage a direct trade, for in proportion as those articles are surcharged and become more costly to the consumer, in the like proportion the India goods brought direct from India into France are the better able to compete with those from hence. The French trade with India is of a very limited character, and provided the discriminating duties which exist in India were abandoned, it is possible that something like an arrangement might be assented to by the French government abandoning the restriction as affects direct importation, and if that could be done I am satisfied we should derive great advantage from the arrangement.

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2524. The principal trade is the export of wines, and the bringing back the indigoes particularly, and other goods?—Yes; the French purchase in the India market at a great disadvantage; in the article of indigo, for instance, there is only two or three qualities, which are chiefly suited to the French market, whilst they are compelled to buy an article which does not suit them to obtain that which does, thus surcharging the article they do require with the loss on that which they do not, they being obliged to send the latter goods to other places for sale. In the outfit in the French ports they have a difficulty in obtaining dead weight; whatever freight of that kind they carry out must be attended with great expense; all the iron, lead, &c. are brought from other places; the materials for ship-building are imported into France; their iron, their hemp, flax, pitch, tar, timber, &c., and I am convinced they cannot compete with us in the economy of ship-building, or advantages of navigation.

2525. Do you apprehend if there were not impediments thrown in the way by the French it would be of any advantage to allow British ships arriving direct from India to unload a part of the cargo in France, and the remainder in this country?—If the trade were susceptible of such an accommodation, I think that it would be desirable; but I have very strong doubts how far any merchant would put his goods on board a ship for an ulterior destination, which he knew was going to discharge a part at an intermediate port, when he possesses the advantage of sending his goods direct by another ship, relieved from all the inconveniences of double insurance and delay; it would be more advantageous for the party desiring goods in France to bring the ship to this country in the first instance, and transship the proportion that was fit for the French market.

2526. Do you apprehend that most of the indigo and other Indian goods that are imported into France at present go through Flanders?—From this country, all; the prohibition is most strict; they go in small Netherlands vessels to Flanders, are discharged at the nearest point on the frontiers of France, and some portion, I have no doubt, is smuggled in; but the greatest portion is imported by ordinary and regular means.

2527. What proportion of French wines sent out to India go direct from France, in your opinion?—The communication between France and the Indian ports is very limited; I have never been able to understand that more than about ten or fifteen ships go from the ports of France in the course of a year to the British possessions in India; I should not suppose that the quantity of wine shipped is very large; I have understood that a predilection has existed for French wine which has been first deposited in this country, the names of the houses here being well known, and operate as a guarantee for the quality. I believe the trade carrying on between the French ports and India is a losing trade.

2528. Do you find any difficulty in obtaining labourers on the terms you have stated, that they shall not be under constant hire?—None whatever. The Dock Company have issued about 1,200 tickets to extra labourers, over and above the 250 preferable men; when it suits them they attend at the gates in the morning, and when they know there is a good deal of business in the Dock, the average number attending is from 800 to 900, when a selection is made of the best, by which our labour is as economically, and perhaps more economically conducted than that of any other similar establishment, although the arrangements in principle elsewhere may in degree be of the same nature as those of the St. Katharine's Dock Company; every attention is paid, and regulations enforced, for economical management.

2529. Can you state how much the expense will be increased in respect of labourers, if they were all in constant hire?—If they were all in constant hire, and all had constant employment, there would be no increase; but to establish a comparison it will be desirable to refer to the extent of business transacted by the East India Company as warehousekeepers, as compared with the St. Katharine's Dock Company; I estimate the stock of bonded goods in the warehouses of the East India Company at about 55,000 or 56,000 tons; the stock in the St. Katharine's Docks at about 52,000; if their landings and deliveries are equal to ours, an enormous diminution in expense in labour presents itself.

2530. Does the 56,000 tons include the teas?—Yes, the teas form about 22,000 tons.

2531. Are you aware what the East India Company pay their labourers?—Yes, they pay them 2*s.* 9*d.* a day for six hours, and 3*d.* for every extra hour; 6*d.* per day extra if at work on indigo, and to the Blackwall labourers 4*d.* per day additional for shoe money, on account of distance.

2532. Does

2532. Does that include what is stopped for their fund for their support when they are pensioned?—I do not know.

2533. Do you allow your labourers medical attendants during their illness?—In case of accident only, not otherwise.

2534. Neither your permanent nor your other labourers?—If they are ill from other causes we make them no allowance; but when incapacitated by accident, from 2*s.* 6*d.* to 3*s.* 6*d.* a week, according to the extent of their families and merits.

2535. You do not consider the second class as permanent?—No, they are only entitled to a preference when the service renders it necessary to employ extra hands.

2536. Can you state what the whole amount of medical assistance comes to in a year?—The expense does not amount to more than 25 *l.* a year; it is confined to the 150 labourers who are permanent.

2537. Do you not conceive that the management of teas requires a greater degree of care and skill than indigo requires; does not it strike you that that would require a greater number of labourers and more skill?—There is no doubt of that. I have adverted to the tea branch as a separate disburse; in a comparison, the expense on tea must not be included, but taken under a separate head.

2538. Have you landed any indigo?—Yes, 8,000 chests since last January, being about one-third of a year's importation.

2539. Do not the East India Company house and manage indigo in the St. Katharine's Docks?—Yes, they do.

2540. Does it appear to you that the management of that portion of the indigo which comes under your inspection is made with a greater degree of extravagance than it ought to be done?—Certainly; attended with infinitely more expense than the St. Katharine's Dock Company. I will venture to say that the labour of the East India Company might be saved one third, which is gained by us in the mode of keeping our people at their work. The men of the East India Company are constantly loitering away their time; our officers sometimes take the liberty of pointing this out to the elders, &c. of the East India Company, but they say they have a difficulty in enforcing discipline. I have seen the East India Company's labourers at times asleep in the corners of the floors; their superiors have been told of the circumstance, but there is a want of discipline inseparable from a system, which there is not in ours, arising, I conceive, from the evils of patronage and influence in appointments. When we work indigo we can do it at half the expense of the East India Company; but I do not mean to say we do it better, although some of the buyers have been pleased to say we do.

2541. Are you aware that no labourer has been appointed through patronage for the last four or five years?—No, I am not aware of that.

2542. Are you aware that at the Blackwall Docks and warehouses there are few or no permanent labourers?—At the Blackwall Docks, which is the only exception, they take on extra labourers in the same way as we do; they give tickets; to many of those men we frequently give employment; they are men selected by a gentleman of the name of Nuttal, and we find some of them very useful men.

2543. What is the reason the merchants prefer the management of indigo being in the hands of the East India Company?—That arose from an established practice which led people to entertain a prejudice in favour of the East India Company's sales; no attempt has been made to afford similar accommodation to the merchants till recently; and as the agency houses in London used to wish to be relieved as much as possible from all trouble and responsibility, they could not adopt a better course to be relieved from all trouble, than by placing the goods in the hands of the East India Company for management, at a per centage; whereas if the goods are sold by a broker, or by any other public company, it would require more trouble on their part than is now required, for they consider themselves absolved from all blame or responsibility by having placed their goods in the hands of the East India Company; but by degrees parties begin to think that other periodical sales, conducted upon the same principles, would be also attended by buyers from the Continent, in the same manner as they have hitherto frequented the sales of the East India Company; the charm has been chiefly maintained, from the periods at which the sales are fixed, which produce great competition; but I have no doubt that as the expense would be so much less in having them passed through the hands of the St. Katharine's Dock Company, if so sold by public auction, instead of through the East India Company, that by degrees it would have the effect either of

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compelling the East India Company to reduce their charge, or of the proprietors of goods placing them in the hands of others to sell.

2544. Have you made any calculation what your profit would be by charging two-thirds what the East India Company charge?—I have, on some articles.

2545. Have you on cotton?—I am satisfied on East India cotton we could do the business at less than the East India Company. That trade is valuable to us in giving us our connection, and combining with the rates our warehouse rent, giving us the advantage sometimes of receiving rent, although the goods may be delivered or transferred the following week.

2546. You think you could do it at two-thirds on all goods?—Not on all, at the depressed prices at which some goods are now.

2547. Take the article of sugar?—Sugar is at a depressed price, and of saltpetre I should say the same.

2548. Do you think you could do them cheaper than the Company do at the present moment?—Saltpetre I think we could, and cotton also, and still have a profit. That the rates of the Dock Company are less is clear, from the sale of cotton diverting from the East India Company; as I said before, very little cotton, or hardly any, is now sold at the East India Company's sales, neither saltpetre nor sugar, and the same with drugs; the principal drug sales are now carried on chiefly at Garraway's Coffee-house. The East India Company's charges are heavy, particularly on silk goods; but there is great skill requisite in the management of East India goods, but I apprehend such preparation and skill may be acquired by other parties. Alterations are also from time to time made by the Legislature with a view to facilitate the collection of the revenue. The duty on articles mixed of silk, hair or cotton, has been hitherto ascertained by the sale prices of the East India Company, so that the goods have of necessity been deposited in the East India Company's warehouses for sale. By the Act passed a few days ago, that restriction has been repealed; the duty will be taken in future upon those goods the same as upon all other goods, by which the merchant will be at liberty to house his goods in any warehouses of special security the Commissioners of Customs may approve of.

2549. Does it not require more nicety in managing valuable goods than the inferior?—Certainly.

2550. And the Company charge more on valuable goods than on others?—Certainly; and the St. Katharine's Dock Company regulate their rates in some instances, and to a certain extent also by the skill required in the separation, assortment and repacking and other operations, and always forms a component part of our rate. After taking the expense of labour, and next the cost of material, and adding a reasonable profit upon those items of outlay, we next take into consideration a further remuneration in consideration of the risk and skill.

2551. You state that the Liverpool merchants send their goods to London to be sold at the East India Company's sales, do you know that to be the case?—Yes, they have come up by land carriage; in fact, I have known of indigo coming up in that way.

2552. Are you aware that some of the St. Katharine's Dock Directors write to their correspondents in India to desire that the ships may be consigned to the St. Katharine's Docks?—Certainly.

2553. And this the East India Company is supposed to have done in regard to the East India Docks?—The case is not quite parallel. When a ship has been compelled to go into the East India Docks by the East India Company, it has been where the ship has wanted dead weight, and they have given them a little saltpetre or sugar to stiffen, and have thus controlled the place of discharge, a most inconvenient one for the remainder of the cargo; whereas in the other case, when the ship has been desired to go into the St. Katharine's Dock, it was where the parties were the chief consignees of the cargo, and desired to have their goods warehoused in a suitable and convenient place.

2554. Have the St. Katharine's Docks taken goods from the East India Docks?—Certainly: the merchant now requires his goods at the place most proximate to the seat of business; and it has excited some surprise that goods from the St. Katharine's Docks have been lightered down to the East India Docks, thus taking them down the River four miles, and away from the convenient means of inspection.

2555. Is not the East India Dock as convenient for export?—Certainly not; there must be an additional expense of land carriage or lighterage of the goods coming from above bridge or the metropolis; manufactured goods would be principally sent by land carriage.

2556. Has

2556. Has the St. Katharine's Docks sufficient water to allow ships to take their outward cargoes on board?—Our water-room, as compared with other docks, is certainly contracted; but we have never been obliged to refuse a ship the convenience of loading out.

2557. Have you never been obliged to decline receiving vessels on the ground of want of water-room, and has not inconvenience been sustained in consequence?—We have never done so.

2558. It has been so reported?—Infant establishments are exposed to such friendly representations, they are not warranted by facts.

2559. Is there water sufficient to allow you to load out all the ships that could discharge in your dock?—Our water-room is more than sufficient for the accommodation of shipping, as compared with our warehouse room. We have accommodation in warehouses, &c. for about 115,000 tons of goods, and our water-room is fully sufficient, both for imports and exports; we have had a hundred ships in dock at the same time, some of them were very large ships; a short time back a ship of 869 tons register loaded out in the dock.

2560. Can you explain the reason why the East India ships never load in your dock?—Some do; but they require a great deal of room for the purpose of loading, they like to have a quay berth, which we have not the means of giving to every ship. Captains of East India ships prefer, if they cannot have a quay berth, to remove lower down the river; but wherever we have been able to give them a quay berth, in most instances that I remember, they have remained. The extent of our quay-room is about 5,600 superficial feet, which gives an opportunity of loading and discharging abut 60 ships at once.

2561. Do not some of them lie bow on?—None of them bow on when busily loading; there are two portions of the export quays where the ships lie bow on, but they do not generally load in that position, but merely wait for their turns, but in the other parts of the dock we load them broadside to. I do not disguise that it would be an advantage to us to have more water-room, but we have not been obliged to refuse outward accommodation to any vessel that had entered with a cargo.

2562. In case of the China trade being thrown open and the tea trade confined to ports having bonded warehouses and docks, do you think the revenue on tea would be subject to any insecurity?—None whatever; I am satisfied that the St. Katharine's Dock Company could collect the revenue upon every article deposited in the Docks for the Crown, at a very great saving of expense.

2563. How would you collect the duty on tea?—We would collect the duty on tea in the same way as I would propose on every other article. Tea would be weighed on landing, the East India Company now weigh when most convenient to them previous to sale; the chest would be emptied and tared, unless a fixed tare were agreed upon, we should then get at the net weight of the tea, and the quality being valued on which the duty would be payable, provided the duty were taken on the landing weight, which would be inserted in the books of the Dock Company. If it remained any length of time, I presume an allowance would be made of one or two per cent. per annum for natural wastage; at present, however, a liberal disposition prevails with the Government as relates to the mode of collecting of duties. The duty on tobacco, spirits, pepper, coffee and sugar, is now taken on the quantity delivered from warehouse, formerly, except tobacco, it was taken on the quantity ascertained at the time of landing.

2564. Would there be any difficulty, if the duty on tea is an *ad valorem* duty, in the St. Katharine's or any other Dock Company making the sales by auction, and collecting the duty *ad valorem*?—None whatever that I am aware of; we could adopt the same regulations as those of the East India Company.

2565. What is your proposition, that you should sell the whole teas and pay the Government the duty, or that you should, as you state in the first instance, merely find out the weight they pay upon?—The teas would remain in deposit a limited time for the security of duty, if the proprietor of the tea would not permit the Dock Company to sell at once.

2566. Tea is of all qualities; every chest is looked at, and every chest has its value put upon it; it is sold according to the value; then how would you get at the duty, in reference to the value and the quality?—Unless we were permitted to sell, the Dock Company would not have the same correct means of ascertaining the value; but if the tea were deposited with the Dock Company, under the management of the East India Company for sale, they would still have the same means

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of ascertaining the value as if the Dock Company had sold, and were responsible for the duty.

2567. Would the restriction of the tea being sold at particular places in the way you mention, be a serious restriction on trade?—I conceive not; I think it would be a relief to trade; for instead of placing that branch of it under the sole direction of one public company, the proprietor would not be under the necessity of placing his goods in the hands of the East India Company alone, but would select such warehouse and management as would suit his views and interests best.

2568. Do you think the St. Katharine's Dock Company or any other would have any difficulty in finding warehousemen able to judge of the qualities of tea, and make the assortment as the warehousemen of the East India Company do?—I should conceive that competent persons might be found for the performance of that operation as well as any other; we have had some difficulties to struggle with in that respect in our infant establishment during its earliest progress, but by industry and proper encouragement we have succeeded in obtaining persons of competent skill for every purpose hitherto required.

2569. If the tea is to be sold, every individual having his own tea, may not persons collude together to get it as cheap as possible, that the duties to the Government may be smaller; and in the second place, if the individual wishes his tea without its having been sold, should he be allowed to take it out of dock without its having been sold?—I apprehend the same rule would apply with respect to tea which applies to other goods placed under the management of the East India Company, not *bonâ fide* sold by them, subject to an *ad valorem* duty; goods so put up, but not sold, the revenue officers might value for duty instead of the servants of the East India Company, or the servants of the Dock Company, and ascertain the duty upon them the same as they now do upon other articles. The officers of the revenue would not leave this to the East India Company or Dock Company to ascertain, but inspect to ascertain the value, and if they did not find that the sum at which the party proposed to pay the duty was the fair value, they would seize it, and give him the ten per cent. over and above his valuation.

2570. You are aware that the Company cannot avoid selling?—But that is under a special arrangement with the Crown.

2571. If it were thought necessary that any tea should be delivered out for consumption without undergoing the sale, might it not be equally the rule in future, the tea trade being thrown open?—In that case the Dock Company would also have the power to sell, and thus establish a value by public auction, if the duty were to be continued to be ascertained as at present.

2572. Have you any doubt that if the tea trade were thrown open, the Dock warehouses presenting every facility and security thus far, an arrangement would be made on the most convenient plan for conducting it?—The public establishments such as I have the honour to be connected with, would immediately turn their attention to the construction of fit and proper warehouses, with proper light and convenience, in like manner as facilities have been given to the indigo trade. New branches of trade must be met by improved arrangements and accommodations.

Lunæ, 16° *die Julii*, 1832.

THOMAS HYDE VILLIERS, ESQ., IN THE CHAIR.

Dr. *Bowring*, called in; and Examined.

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2573. HAS your attention been lately called to the cultivation of silk?—I have been lately occupied in France as a Commercial Commissioner; and the production, the export and import both of raw and manufactured silks, have necessarily come very much under my observation.

2574. Does France, in your opinion, possess any peculiar qualities?—I think within the last 20 or 30 years a greater progress has been made in the improvement of the raw material in France than perhaps in any other country in the world. In fact, that improvement has gone on so rapidly, that the export of French silk has been successfully resisted by the manufacturers, on the ground of their possessing a monopoly of a quality superior to any produced elsewhere: they have generally improved the character of their silk; in several districts, the silk brought to market obtains

obtains from 20 to 30 sous more than the average value of the silks of Italy of the same fineness; and as evidence of the capabilities of still farther improvement, a small quantity is produced of such superior excellence, that it sells at from 100 to 120 per cent. above the value of the best Italian silk. That has been in consequence of the introduction of a new worm from China; and that silk which is now used for the manufacture of the finest blond, sells at as high a price as 100 francs per kilogramme.

2575. A common Italian silk selling at what?—A common Italian silk selling at, I should think, 18*s.* a pound.

2576. When was this improvement introduced, and from whence?—This particular worm, which has caused a good deal of interest, is called in French the Sena or Nanquin worm. Its production has not been very much extended; but the production of the second quality of silk, which is exceedingly beautiful and superior to anything produced elsewhere, has been extended so much, that one district (the Cevennes,) produces 400,000 pounds per annum.

2577. Is it white or yellow silk?—Both white and yellow. But the most costly, and beautiful is white silk.

2578. In what does the superior quality of the silks consist?—In the fineness and regularity of the thread, the clearness of the colour, and the tenacity and elasticity with reference to its size.

2579. What is their value as compared with other raw silks?—I should think the value of Cevennes silk may be taken on an average at from 5 to 10 per cent. above the best Italian silk of the same quantity of deniers.

2580. What is the species of mulberry usually cultivated in France?—Of late the *Morus Alba*, or white mulberry, has taken possession of the field. There have been a very great many discussions in France as to the different qualities of mulberry-trees, but I observed lately, in passing through the silk district, that the white mulberry-tree had clearly the pre-eminence over all the others.

2581. What is the silk district in France?—The two sides of the Rhone; from Lyons to the south is the principal district. There are 13 departments of France that produce silk.

2582. What is the northernmost?—I doubt very much whether it is produced much to the north of Lyons; probably a small quantity only.

2583. What is the cause of preference to the white mulberry?—Its growth is more rapid, its produce in the same number of years is more abundant; the texture of its leaves is more delicate, and it suffers cold with less prejudice.

2584. What is the mode of cultivation; what is the state of the tree?—They are all called standard trees.

2585. What is the height of the stem generally?—The average height of the stem, I should think, is three to five feet. One particular motive, in a country like France, for the cultivation of the white mulberry is, that it produces leaves as early as April and May.

2586. Is not the black mulberry cultivated at all?—The black mulberry is also cultivated: its growth is more tardy, its leaves are stronger and larger, it lives longer, and it is less affected by change; it is the common mulberry which is seen in England, and a fruit-producing tree.

2587. Do they cut the trees annually?—No, the leaves are gathered from the stems.

2588. Is it pruned so as to shoot out young wood?—Pruning is very necessary. There is a very curious fact respecting the mulberry-tree: it is known that it is the only tree that the common silkworm will feed on, though there are some herbaceous plants which that animal will eat; but there are, I think, seven or eight species of the morus. And it would seem, from all the facts I have been able to gather, that one species or other will flourish in almost any soil, so that if other circumstances are friendly to the silkworm, its food may be obtained in a great variety of places, there being few countries, whatever be their climate, in which some mulberry-tree or other will not grow.

2589. Have attempts been made in France to introduce any other species?—Yes, there have; but not on a large scale. There is a belief, but I do not think the experiment has been fairly tried, that the Tartar mulberry-tree would be very likely to be useful; all that is known of it is, that it is an indigenous tree in Tartary, where silkworms feed on it, and whence a few specimens have found their way to different botanical gardens.

2590. Are there any here?—I am not sure whether there are, here; but persons

 who

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who speak of it say, that it is a leaf that is devoured by the worms with very great avidity. And the morus indeed has also been an object of some attention of late, that is a Chinese dwarf mulberry-tree, which I believe seldom grows above the height of between six and seven feet; that is the tree which I understand is most widely spread in China, or, at all events, the tree which gives food to their superior worms. There is a growing opinion, and Dandolo, who is perhaps the first authority on the subject, concurs in the opinion, that something better might be done than has hitherto been effected, by introducing at different periods of the age of the worm the produce of the different species of trees: for example, that the white mulberry-tree, which is earliest and tenderest, would best suit the worm in its early stages of existence; as it grows stronger and larger, the black mulberry, which is of coarser and firmer texture, might be advantageously used. It is indeed to be wondered at that so few experiments have been made with reference to the cultivation of the silkworm on a great scale, and by intelligent persons. In Europe, as in India, it is almost wholly in the hands of the peasantry, and it is only of late that any considerable attention has been paid to the subject.

2591. What do you consider to be the best period of growth of the mulberry?—The white mulberry leaves are plucked when the tree is five years old, though it will afford leaves fit for use when it is past four, and then it will go on I should think improving perhaps for 10 years longer.

2592. Is the tree improved by grafting?—The contrary would seem established by observation. Grafting is generally employed, but some curious results have been mentioned as to the effect of the leaves of the grafted tree on the growth of the worm, and on the production of the silk. I have copied these results from some documents I hold. In an experiment made on grafted trees, it required 20 pounds and three quarters of mulberry leaves to produce 25 ounces of silk. White leaves grown of seedling trees, 15 pounds produced the same quantity. So that there appears to be a difference of 25 per cent. in the result in favour of the ungrafted tree.

2593. What is the authority?—Dandolo, who is the best authority. He also states he made other experiments, and that of 7 pounds and 13 ounces of cocoons of the grafted tree he only obtained 12 ounces of silk, while from precisely the same quantity from the indigenous tree he obtained 14 ounces. They are facts very well worth being examined on a large scale. Pitarro, who has also treated upon the question, if I do not misrecollect, says, that there is another consequence of grafting; that the grafted shoot will not live longer than the parent tree. That is a fact respecting which there may be some doubt. The power of production by grafting is so much more rapid, that it is clear that men would employ it solely with reference to economy.

2594. How are the trees cultivated in France?—The cultivation of the mulberry-tree now is become a primary consideration on the part of land proprietors, which has only been the case of late years. Almost the whole of the production of the silkworm was till lately in the hands of inferior peasantry, who had no capital; but within the last 15 years especially, much capital has been employed in the production of the mulberry-tree; the landowners have found it very well worth their while to cultivate the mulberry-tree on a large scale, and to sell the leaves to the peasants who devote their attention to the rearing of the worm. The price, from the demand for leaves this year, was very considerably increased. I was at Nismes about six weeks ago, which is one of the central points, and I found the value of the leaf increased as much as 20 per cent. this year, four francs and four francs and a half per cwt. having been paid, while three francs was last year's average.

2595. So that it is found to be a profitable investment?—No doubt; it gives from 15 to 25 per cent., and I have observed that almost every class of persons have prospered who has been attending to this branch of agricultural industry, whether the nurseryman who has produced the seedling trees, and who sells them for transplantation to the farmer, or the farmer who has been cultivating the mulberry to sell the leaves to the peasant, or the farmer who has cultivated the leaves to rear the silkworms himself.

2596. How many crops are gathered in a year?—Only one in France.

2597. Is any particular care required in gathering the leaves or giving them to the worm?—Yes, in that respect too there has been a great improvement: it has been discovered that damp, so far from being beneficial is pernicious; and now whenever the leaves are more than merely damp, in fact, when there is any water on them, either from dew or rain, they are either subjected to a current of air, or to

an

an elevated temperature. They do not now give humid leaves to the worm, inasmuch as they find it injures the worm and deteriorates the quality of the silk.

2598. Do they keep the leaf any time before they give it to the worm?—No, the leaf should be fresh, but it should be exposed to a current of air; the best way is to throw them in a blanket and to allow the fresh air to pass among them.

2599. Is there any difference in the situation in which the tree grows that influences the quality of the leaf, a high or a low situation?—A rich soil is not very friendly to the mulberry-trees, but they do very well either in sandy or gravelly soil; but I suspect, as I mentioned before, that there are very few soils in which some or other class of mulberry-tree might not be found to flourish probably by a different mode of culture.

2600. Has the dry or damp situation of the soil on which the tree grows, any influence on the nutritious quality of it?—A damp soil is unfriendly to the white mulberry.

2601. Is it generally considered that the bad effects of a damp soil may be remedied by artificial means?—I should think they might. What is occurring in France at this moment, namely, the investment of capital in the production of the mulberry-tree, and in what is called the education of the silkworm, will lead to experiments of a more extensive, judicious and scientific character than have hitherto been made. It appears to me extraordinary, that at this moment the cultivation of silk should have had so small a portion of that attention which has been directed to the growth of cotton or wool.

2602. To what do you attribute the superior production of the mountainous parts of France, as compared with the plains?—On the whole, I should think a mountainous soil would be more favourable to the production of the mulberry-tree; most of the countries in which it is indigenous have a good deal of mountain in them, and it would seem to have a preference for the higher lands.

2603. Have you attended at all to the general history of the silkworm?—I have read everything I have been able to get at with reference to it; and, as I said before, I think that there is no raw material, the history of which requires more to be studied, and for which less has been done till of very late years. In Europe there are only two very distinct classes of worms.

2604. Are there any species unknown which you think deserving of particular inquiries?—Yes, the Chinese manufacture a very considerable quantity of silk from a worm that is said to feed on a species of oak, and that does not form cocoons, but throws out its thread from the branches of the trees.

2605. From what authority is that?—It is mentioned by several authors, who state the animal is of the Bombyx genus, and that the Chinese collect a considerable quantity of these threads; that they are stout and strong. Cuvier also speaks of it; he has also given an account of the Madagascar silkworm, which he calls the *Bombyx Persola*, and he says that its cocoons are three feet high. I have not heard of any attempts to introduce this species, which is indigenous in some tropical climates. I should think it well worth inquiry.

2606. What do you find stated there about it?—Cuvier states the fact of its existence, and he gives a short account of it.

2607. What is it he gives an account of?—Of this large Bombyx.

2608. In what work?—In his '*Regne Animal*,' I take for granted.

2609. What is the species of worm produced in France?—The one that is principally produced is one known by shedding its coat four times; there are two principal classes.

2610. What is the name of that one?—The *Bombyx Mori*. I was stating that there are two principal classes; the worm that sheds its coat four times, and the worm that casts its coat thrice.

2611. Those are the two species produced in France?—Those are the two species. Dandolo, I should state, is so strongly convinced of the superiority of that which is not the common worm, that he takes as a motto to his own book, "If I had anything to do with the reeling or the winding of silk, I would produce nothing but the worms which change their coat thrice, and those of the white cocoon." They are very common in Lombardy; these are the worms that he considers superior.

2612. Is that the *Sina*?—No, that is another species; the *Sina* is a four-coat changing worm. The three-coat changing worms are considerably smaller.

2613. Which are?—Those that change most seldom. Their existence is four days less, so that there is a diminution of four days' risk; which, considering the

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many diseases to which they are exposed in these climates, is an important consideration; it is a difference of 12 per cent.

2614. Are those the original worms?—No, they are not; the four-coated worms are the original worms of European growth.

2615. Is the race considered susceptible of improvement?—There is no doubt at all, if the race of silkworms were treated as the race of horses is, that it would be susceptible of very great improvement. I think all the facts which have been gathered together in the course of the last 30 or 40 years, for till then the subject was surrounded by the darkness of ignorance, are evidence that much may be done.

2616. What species do you think would be best?—I hardly feel competent to give an opinion; the opinions of writers and cultivators are so much more valuable than that of a mere looker on. I should think the Cevennes cultivation, is, on the whole, the most advanced; it has to my knowledge given the largest returns for capital, and has produced a far more beautiful silk.

2617. Does it not require different sorts of silk for the various manufactures, the same as cotton?—Clearly.

2618. So that you must have the various worms?—Certainly: but of course he who produces the worm which is the least expense, and that gives the greatest quantity of the most beautiful silk, must be the most successful adventurer.

2619. What is the temperature applied to the eggs for the production of the worm?—The French generally apply an increasing temperature during 10 days.

2620. Is that for hatching?—That is for hatching; they begin at 14 degrees of Reaumur, and they add every day a degree till they reach the temperature of 22.

2621. Is that by steam heat?—It does not matter what sort of heat; sometimes steam, sometimes oven heat.

2622. What month do they begin to hatch?—They begin to hatch at the end of April or the beginning of May; something of course there depends on climate too. When it reaches 22, it is left at that temperature, and generally on the third day of the application of the temperature of 22 the worm appears.

2623. How often are they fed in the day?—They are fed by the best managers four times a day.

2624. What will be the average produce of an ounce of eggs?—An ounce of eggs I should think would produce on an average from 35,000 to 40,000 worms; I have taken here, however, (and that may be interesting as points of comparison,) the produce of eggs of different classes. Dandolo says that an ounce of eggs of the largest size, of the four-coated worm, would produce 37,440 worms, and that if they had all lived, they would give 373 pounds of cocoons; if the eggs were not sorted, and were of the common size, he says an ounce of eggs will give 39,168 worms, and these would give 162 pounds of cocoons: of the three-coated worm, he says an ounce of eggs will give 42,200 worms, and will produce 105 pounds of cocoons. I ought to mention, with reference to all these weights, that they are Lombardy weights, and it is very easy to compare them.

2625. How long does the worm live after hatching?—From 35 to 37 days; the three-coated worm lives four days less.

2626. Depending on temperature?—Somewhat depending on temperature.

2627. Can you state, at the different periods of its age, what is the weight of leaves per day that any given number of worms devour?—Yes.

2628. Of course much larger as it grows?—Yes, and the increase is extraordinary; for the worm in the course of its existence is increased about 30,000 times its own original weight.

2629. What, you mean, from the egg probably?—From the egg, yes. The works that describe the education, as it is called, of the silkworm, give the history of every day's consumption in great detail; they also give the state of the barometer, the thermometer and the hydrometer, and every thing connected with the daily changes.

2630. During the few first days, what is the quantity of leaves an ounce of eggs would consume?—The better way would be to take five ounces of eggs. Now here is a table which states, that before they shed their first skin, they consume 30 pounds of mulberry-leaves; their second, 83; their third, 324; their fourth, 939; and their fifth, 5,730.

2631. Is there the interval of days between?—Yes, the interval of days is stated here.

2632. Well

2632. Well then, up to the time of shedding the first skin, what is the number of days?—The number of days is six.

2633. The second is what?—Is six.

2634. The third?—The third seven.

2635. And the fourth?—The fourth seven, and the last is seven to ten; there will be a difference of a few days.

2636. Then the 5,730 is up to the time of their mounting?—Up to the time of their mounting the branches to spin their cocoons.

2637. Now what quantity of leaves will they consume?—I have taken rom several authorities the return of consumption. Bonafons states, that an ounce of eggs in France, producing about 38,000 worms, would consume 1,600 pounds of leaves, to which must be added 300 pounds for waste, moisture and stems, and so forth, so that he gives 1,900 pounds net as the consumption; that is the whole gross consumption.

2638. From first to last?—Yes. Dandolo gives 7,100 for five ounces of eggs. Now there is also a return from Naples, in which they say that an ounce of eggs will consume 1,000 pounds of leaves, and give 86 pounds of cocoons. There are a great many experiments made as to the power of increasing the production of silk by extra feeding; and there is a case also given by Dandolo, in which he says that he obtained from 110 to 120 pounds of cocoons from 1,650 pounds of leaves; and that where only 1,050 pounds of leaves had been consumed by the same number of worms he only obtained from 55 to 60 pounds.

2639. What quantity of silk will those cocoons produce?—Pitarro says, that in North Italy ten pounds of cocoons would give him one pound of silk.

2640. One-tenth?—Yes; then in South Italy fourteen pounds of cocoons would give fourteen and a half ounces of silk; and he estimates, that in France generally it would require eighteen pounds of cocoons to give one pound of silk. I think, however, that this is less than the fair estimate, from the facts I have been able to gather, and that they would on an average get a pound of silk from twelve pounds of cocoons. A great deal of course, however, depends on the care of the reeling and of the quantity of waste that is sacrificed.

2641. Is there any considerable difference in all these particulars which you have now been giving, between France and Italy?—There is a good deal of difference; it is much more easy to get facts from Italy than it is from France; for the two great authorities are Italian writers, and the French have almost wholly received their instruction from Italy on the cultivation of the silkworm.

2642. Is the species of worm the same?—Yes; that is, in both France and Italy there are those two classes, the three and the four-coated; the four-coated being the ordinary one. Here are Dandolo's returns, which may be compared with Pitarro's: he says, in North Italy twenty-four pounds of leaves give one pound of cocoons. Now Pitarro in North Italy obtained a pound of cocoons from twelve pounds of leaves; Dandolo, in South Italy, had obtained a pound from ten pounds of leaves. Pitarro says that he had obtained from seventeen to eighteen ounces from fifteen pounds of leaves. All these facts show that the results are extremely different, and how much remains to be done notwithstanding the attention that has been paid to it.

2643. Has any improvement been introduced in the management of the worm?—Yes, very considerable. Nothing can have been more barbarous than the management of the silkworm a few years ago; a great number constantly died; they ascertained some of the great causes of disease among the worms; that damp, for example, is very pernicious.

2644. And confined air?—That noisome smells of all sorts; that the neighbourhood, for instance, of dunghills; that the worm, in fact, has organs of considerable sensibility; that the introduction of dust in the neighbourhood of roads is very pernicious. The consequence has been, that chemical science has removed a great many of the impediments to their improvement, and a great deal is done now by the peasants to circulate free air and to remove the infected air.

2645. How is the temperature regulated?—I also would mention, that chlorides are used to disinfect the atmosphere, since they have become cheap.

2646. Do you mean that the worm can feed with the presence of chloride of lime in the room?—Yes; that the chloride of lime will of course drive out a more pernicious presence than its own; and the chloride of lime is very frequently now used in the houses where the silkworms are being educated.

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2647. Is that the only medicant that is used during disease?—Every species of disinfection. By the way, the smoking of tobacco is very unfavourable, but fumigation is generally very friendly.

2648. Do they bear the burning of sulphur?—No, hardly. When the worm is first born it is found that the temperature which best suits them is 19 degrees of Reaumur, and that this temperature should gradually diminish, and 15 is considered the most healthy temperature for the worm when it proceeds to spin its cocoon.

2649. How is it regulated?—It is regulated of course by thermometers. The peasantry have the power of regulating it by stoves, or by ventilation; it is not a very considerable variation from 15 to 19.

2650. Is it material whether they are kept in-doors or out-doors?—In-doors, certainly. I should mention that one of the great improvements is the introduction of light, for formerly the rooms were exceedingly dark.

2651. Does that contribute to health?—Very much indeed to health and enjoyment and activity, and that is of some importance; when the moth appears the rooms should be darkened, inasmuch as the moth is a night insect.

2652. May there be too much light; a greenhouse for instance, or a hothouse?—It is not usual to introduce an excess. The silkworm enjoys the light, but the moth dislikes it very much, and suffers from it; in fact, as I said before, the moth is a night insect, so that care should be taken, while light is not excluded from the worm, that it is not admitted to the moth when it is past the chrysalis state.

2653. What is the temperature applied to the eggs of the worm?—It should be from 16 to 18 degrees.

2654. Of Reaumur?—Yes.

2655. What is that corresponding to, do you know?—I have not the grade here.

2656. How are the cocoons selected for the future breed of worms?—Those that are the most perfect in form, with the finest quality of silk, and of the middle size. One of the tests of the excellence of the chrysalis is the hardness of the ends. Those cocoons are laid out separately, and the estimate is that 14 ounces of cocoons will give an ounce of eggs.

2657. What is the amount of silk produced in France?—The amount of silk, according to the best estimate, is about 3,000,000 English pounds.

2658. What is the average selling price of that?—The average selling price I think we have estimated at about 17 *s.* or 18 *s.* per lb.

2659. What is the amount of silk imported?—It is about 1,000,000 lbs. France produces about three-fourths of her consumption, and supplies herself with about one-fourth from other countries.

2660. Does the raw silk of India find its way to their markets?—From the experiments that have been made, the raw silk of India certainly has not succeeded in France. I heard an opinion expressed on the part of the throwsters, that being unused to that particular quality of silk, their labourers have not succeeded in throwing it, and the experiment has scarcely been repeated. I should say, however, that at Lyons there is great anxiety on the subject, and I promised the Chamber of Commerce I would take an early occasion of having communication with the East India Company on the subject of the East India silk. They are exceedingly desirous, inasmuch as some great changes in their legislation with respect to silk are now in progress; they are exceedingly desirous of knowing something more of the production of India, and of the way in which the production of India is likely to bear on their manufacture.

2661. But you have not at present any particular reason for supposing that India silk will come into demand?—I think it very likely it will come into demand in France, but I also think that knowledge is wanting in France; that the failure of experiments made has rather deterred adventurers from coming into this market; there was one very large importation took place into Lyons of oriental silk, and it left great loss. Now, the reason why the French silk merchants know so little of our markets is, that the export of raw and thrown French silk is prohibited; the consequence is, that there is much less knowledge of the state of the markets here than would be supposed. When the exportation of French silk shall be recognized by law, the promise having been obtained by our commission that the French government will consent to its export, there is no doubt at all that considerable trade will take place between France and England in oriental silk; that is, the French dealers in silk would buy in this market, and I am persuaded would find very frequent occasion. They consider that the English silk manufacturer has a tremendous

tremendous advantage over them, in consequence of the very large market which they have for the purchase of oriental silk.

2662. Has there been any direct importation into France from India or China?—It has been very small; I have copied it from their official returns. They imported from British India, in 1826, 1,227 kilogrammes; in 1827, 23 kilogrammes; in 1828, nothing; in 1829, 2,811 kilogrammes; in 1830, none; in 1831, 435 kilogrammes. From China they imported nothing in 1826; they imported 2,119 kilogrammes in 1829, 140 kilogrammes in 1828, 8,234 kilogrammes in 1829, and 6,146 kilogrammes in 1831.

2663. That is India, is it?—The last is China.

2664. What, is the import of foreign silk into France subject to a heavy duty?—Yes, it is subject to a duty; the raw silk pays 1 franc and 20 centimes duty per kilogramme, and thrown silk 2 francs and 40 centimes, and there is a decimo to be added.

2665. On all foreign silk indiscriminately?—Yes.

2666. Can you explain the cause of the fluctuations in the returns which you have just now stated?—Almost all; and I take it that the very unimportant character of French importation depends on their prohibitory system; it is quite impossible that a country can have a large foreign trade that is in the situation in which France is.

2667. Do you consider these importations, then, to have been merely experimental?—Yes; these I take to be merely experimental, for no fact can be gathered out of them, no increase or decrease; it is not characteristic of any influence on the market.

2668. Is there any difference in the quantity of raw silk on the silk manufacture of France, in consequence of the duty to which foreign silk is subject?—None at all; the French manufacturer has the choice of all the silk that comes to England from Italy, as it passes through France; it is deposited in bonding warehouses at Lyons; it is only of late years that they altered their transit system.

2669. Practically, is that a matter of advantage?—Not of the advantage supposed, because inasmuch as their legislation prevents a merchant who has bought silk and taken it out of the bonding warehouse from exporting it, he has great hesitation in doing so; independently of which, there is a system of buying and selling, which I had the honour of explaining to the Silk Committee, which is of very great importance. The silk when bought in France is generally subjected to a sort of public test to ascertain its humidity; silk invariably imbibes a certain humidity, and in France, before silks are received by the buyer they are sent to a public establishment, where they are submitted to a certain temperature for 24 hours; if their loss is more than from 2 ½ to 3 per cent. they are still continued in that temperature, so that these experiments are made on the whole mass of silk, in order that no fraudulent humidity may be introduced, and there is a reduction in proportion to the loss. They are sold on the certificate of this establishment, which is called the *condition* that the weight is so and so.

2670. And it is all registered, is it not?—All that passes through the condition. Now the disadvantage of the French silk merchant is this; he can only sell subject to examination of the condition, and of course he will only buy subject to examination of the condition. Now if he takes it out of bond, or sends it to the examination of the condition to have its humidity ascertained, whether it is the natural humidity or a fraudulent and artificial humidity, he has not the power of divesting himself of this silk for exportation, exportation being prohibited; so though he gets a certain advantage out of the monopoly he possesses of French silk, he has also considerable disadvantage from the circumstance of his hands being tied if he should be an adventurer in foreign silk; for if after all it do not suit the French silk market, and he is not able to get a sale for it, export it he cannot.

2671. How is silk generally reeled in France?—It is generally reeled by the peasants, and the reeling is certainly in a backward state. I think that the removal of the prohibition on the export of silk will bring a capital into that particular department; and in fact I know that there is disposition to invest money in it, and that this circumstance will lead to great improvement. The reeling is so backward that the Chamber of Commerce not long ago applied to the government for the introduction of penal legislation to force the reelers to reel in a particular way, for they had no sort of security; however, the government had intelligence enough to say they must take care of their own concerns.

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2672. Is it supposed that they will allow the export free of export duty?—Not wholly free, but with a small duty.

2673. Then at present much capital, you suppose, is not invested in the reeling?—No, not much. I should mention, that it appears to me there are two steps of silk production in which capital may be very advantageously invested, and that it is of all the productions that in which the poor peasant's interest may be best associated with the interest of the capitalist. It is clear the capitalist can very advantageously employ his money in the production of the mulberry-tree, as it requires an outlay of capital which a poor peasant does not possess, so that the capitalist may very advantageously employ himself. The harvest of the peasant comes on, in six weeks his business is done; it is the most rapid of productions, so that of course very little capital is required for the mere purchase of the leaf, for which he might get an immediate return at the end of six weeks, when his business is over; and therefore it seems to me that even in that particular point again the capitalist would come with great advantage into the market as the gatherer of cocoons, because in reeling too, capital may safely and advantageously be invested.

2674. Are there not capitalists who do reel?—Yes, there are some, and their number is increasing constantly in France, and of course the natural tendency of a division of labour is to set all these matters straight. Of late the capitalist has seen to how much benefit he can invest his capital in the mulberry-tree, and which is now done to a great extent.

2675. By what period is the growth of the cocoons generally complete in France?—In from six to seven weeks the cocoons are produced.

2676. Is that by the middle of July, or earlier?—Earlier; the end of June.

2677. What is the temperature to which the cocoons are exposed in order to kill the chrysalis?—The silk is not much bettered by a high temperature, and I do not imagine that any higher heat is required than that which suffices to kill the grub.

2678. Is there any duty on mulberry-trees in France, as there is in Italy?—No; gentlemen know what an enormous proportion of the whole revenue of France is raised from the land-tax, and of course the mulberry-trees are rated in that way.

2679. Is there not a very large increased investment of capital in the production of mulberry-trees and silk in Europe within the last few years?—Certainly; and the very remarkable decrease in the value of silk is the best evidence of it.

2680. And may not, from the increasing capital, a further diminution in price take place?—Infallibly; the profits in the production of silk are very much above the average profits at this moment. I ought to have said, when speaking of the destruction of the chrysalis, that it is sometimes destroyed by dry heat and sometimes by hot vapour, and the combustible employed is generally vegetable charcoal.

2681. Is all the machinery given there? [*pointing to a Book.*]—All the machinery is given here; the whole of the progress is here developed. This is Pitarro's work.

2682. Will you state who are the best writers on the cultivation of the mulberry-tree and the treatment of the silkworm?—Among the Italians, Dandolo, Pitarro and Fontana; and among the French, Bonafons and Castellar. Bonafons' is a very nice little book, and there are a great number of others. Chaptal is a high authority, I observe, and he is president of the Society for the Encouragement of National Industry in France; and De is also a very well known man of science; he gave Bonafons a certificate that his book is decidedly the best French book on the cultivation of the silkworm. It perhaps might not be amiss to add to those details as to the consumption of leaves, those which Bonafons gives; they may as well, perhaps, be received with the others.

2683. Are there any details of the progress of the silkworm in France?—There are; here is a Table of them.

[*The same was read, as follows:*]

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TABLE of the Progress of the WORMS hatched from an Ounce of Eggs, from Birth to the time of Spinning.

AGES.		Space occupied by the Worms on the Trellices.		Temperature, Reaumur's Scale.	Quantity of Leaves consumed in each Day.		Total Quantity of Leaves consumed in each Age.	
		Feet.	*inches.*	*Degrees.*	*lbs.*	*oz.*	*lbs.*	*oz.*
1st Age	1st day	9	6	19	0	14	7	0
	2d				1	6		
	3d				3	0		
	4th				1	6		
	5th				0	6		
2d Age	1st day	19	0	18 to 19	4	8	21	0
	2d				6	12		
	3d				7	8		
	4th				2	4		
3d Age	1st day	46	0	17 to 18	6	12	69	12
	2d				21	8		
	3d				22	8		
	4th				12	8		
	5th				6	8		
	6th				-	-		
4th Age	1st day	109	0	16 to 17	23	4	210	0
	2d				39	0		
	3d				52	8		
	4th				59	4		
	5th				29	4		
	6th				6	12		
	7th				-	-		
5th Age	1st day	239	0	16 to 16½	42	0	1,281	0
	2d				65	10		
	3d				93	0		
	4th				130	4		
	5th				185	8		
	6th				223	0		
	7th				214	8		
	8th				150	0		
	9th				120	14		
	10th				56	4		

There is one rather interesting thing in the progress of their existence; that progress is exceedingly capricious; it does not go on regularly from day to day: for instance, in the third day of their birth they consume three pounds; in the fourth they consume only one pound six ounces; and in the fifth day, when the disease begins under which they shift their skins, they only consume six ounces, which is less than they consumed the first day of their existence. So again, in the first day of their second age, having consumed only six ounces the day before, the following day they consume four pounds eight ounces. Then again, there is more strength at the second age; then on the fourth day of the second age they only consume two pounds and four ounces, having consumed seven pounds eight ounces the day before; immediately they get relieved, from two pounds they go on to six pounds. Well, then the perilous period is the third and fourth coat changing, and on those days, though on the first case they had got to the consumption on the fourth day of the third age to 22 pounds, and go on diminishing, on the sixth day, on which they change their coat, they eat nothing, that is the day on which no food at all is consumed; then they take 23 pounds, the day before not having consumed anything; and they go on increasing up to 59 pounds, and then they begin to be uncomfortable; and in the fourth age the very large worm remains a day without food, the next day consumes 42 pounds. The whole existence of the worm is very curious; their voracity one day, their fastings the next; their rapid growth, and their extraordinary lateral respiration.

2684. I believe you have turned your attention to the operation of our reciprocity treaty with France, upon the trade of this country and of France with India?—I have; the reciprocity treaty undoubtedly was intended to be a reciprocity of benefits, but all that it has done is to produce a reciprocity of injuries, as far as

Dr. *Bowring*.
16 July 1832.

as respects the relations between France and England. The consequence of the treaty upon the relations of France with England was to prevent the French buying in our markets any extra European products, and their notion was that they could force the French importers to go to a remote market, and that in this way they should give a great impulse to their navigation; that instead of coming here to buy the indigo or silk, or any other articles, that they would go to the East. Their project has failed certainly, and the result has been this, that they had to pay two freights for a very great portion of extra European articles; for though they canno import oriental produce from England, they can import it from Ostend, or they can import it from Nice. The consequence is, that that which they purchase in the English market is shipped to Ostend or to Nice, and the obvious result is, that the importer pays double freight and double charges. I have given here one or two facts to Mr. Villiers, showing what its real operation had been upon their shipping.

2685. You had better state what the conditions are which bring about those results, what particular clauses there are in the treaty which bring about those results?—You know the English legislation, which was by that treaty made reciprocal in France.

2686. What is the date of that treaty?—In 1826. The treaty authorised, on the ground of reciprocity, the French government to apply in their case to England, the legislation which England applied to them. Now, it is known, that no extra European produce can be introduced into this country, except in ships direct from the extra European country; that you cannot, for instance, buy in the markets of France cotton or indigo, or any article that is not European. Well, that which England had done respecting not only France but all other nations, France did as respected England under the reciprocity treaty of 1826; and that, in fact, is the cause of a very singular appearance in our official statements of exports and imports to France. The imports into France allowed, under the treaty of 1826, cannot comprise now any colonial produce; that colonial produce goes to the Netherlands or elsewhere, and is then imported into France, because with that country France has not entered into such an absurd system of reciprocity. However, as I stated, the intention of the Government was to create a direct foreign trade, and the results are these: it will be seen to what extent that object has been accomplished. the arrival of French ships from the East Indies and China was, in 1825, 21 ships, which consisted of 7,289 tons; in 1826, there were 22 ships, consisting of 6,546 tons; in 1829, the arrivals were 29 ships, consisting of 8,425 tons; and in 1830, 26 ships, consisting of 7,937 tons; so that as far as respects arrivals they have now only four ships more.

2687. Is the tonnage more?—The tonnage is somewhat more, it is an increase of 700 tons; but for that they pay double freight on every colonial article which they purchase from England; it is clear the loss to them is very great, the result of loss. The departures of French ships, it will be seen, are, in 1825, 20 ships departing, consisting of 6,050 tons; in 1826, 22 ships, consisting of 7,279 tons; in 1829, the departures were 33 ships, consisting of 10,366 tons; in 1830, there were only 14 ships, consisting of 4,844 tons; so that within the last year a much smaller number of ships departed than in 1825.

2688. 1825 being the year preceding the treaty?—Yes; I have the returns down to the middle of 1831, which were the latest returns I could obtain, and I found the number of ships departing were seven.

2689. The principal exports are wine?—Yes; the principal exports are wine, so that the result is really nil, as respects benefit.

2690. Have you ever attended at all to the operation of the treaty on the indigo trade?—Yes; the indigo trade is that portion of the trade in which there has been a direct import from Calcutta into France. I believe that the consumption of France fluctuates from 5,000 to 6,000 chests per annum, of which France has been in the habit, I think, of importing about 4,000 direct; the quantity of capital in France is notoriously not very great, particularly the quantity of capital invested in remote commercial adventures, and it has constantly happened that the importers of indigo have been afraid of importing to the full amount of the average French demand; they therefore generally imported about 4,000 chests, and they purchased in the English market about 1,500; on those 1,500 chests they have invariably paid the double freight and the double charges. I should state that is a commercial return, and not an official one, for we are not yet occupied with the question of those relations between France and England which concern other countries, which is a department of inquiry to which we shall come by and by.

2691. Previously

2691. Previously to the conclusion of that treaty the French were in the habit of coming here for the whole of their indigo?—I should think for the greater portion.

2692. Do you know what amount of indigo they purchase in this market now?—I believe from 1,200 to 1,500 chests per annum. The effect of the treaty has this other embarrassing consequence, that you cannot now get at the absolute amount of imports from England into France; they are made now through second countries.

2693. They used to buy their indigo and send their wine here to be exported in ships to India?—Yes.

2694. But it will be found that the imports direct from India for France have been diminishing within the last few years?—Yes, that is very likely; the state of distress is so exceedingly great under the operation of their prohibitory system, that there is no part or portion of their manufacture that is not at this moment very much affected by it.

2695. Have you formed any opinion as to whether the climate of India is detrimental to the worm?—I should think not; my impression is, from the facts that have fallen under my observation, that there is no cultivation likely to give a greater return; but it appears to me the system of management must be wholly changed. I can conceive that capital would be very advantageously invested in the production of the mulberry-tree, but that the peasant most undoubtedly has all the benefit of the production of the silk. Now, as I understand the evidence that has been given, the habit now is for the Company to fix a price, and to purchase at its own price the produce of the peasant; in fact, to lend him capital. I cannot think that that is at all a plan which is likely to be a successful one. If the proprietor of the land cultivated the mulberry-tree, and sold at a reasonable price the leaves to the peasant, he would require exceedingly little capital for the production of the silk.

2696. You did not state when the silkworms were brought in from China?—About 25 years ago.

2697. Is there any account given of them anywhere?—There is an account given of them, I think, in the annals of the Segusian district; I have only an incomplete set of these annals.

N.B.—PART 3—CONTINUATION of the APPENDIX (*Commercial*), is in great forwardness, and will be delivered with the Index.

The Binder is requested to substitute this Title, and Extract from the Report, for the Title delivered with PART 1.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE

ON THE

AFFAIRS

THE EAST INDIA COMPANY;

AND ALSO AN

APPENDIX AND INDEX.

II.

Finance and Accounts—Trade.

Ordered, by The House of Commons, *to be Printed,*
16 *August* 1832.

Extract from the Report of the Committee on the Head—
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II.—*Finance and Accounts—Trade.*

EXTRACT from the REPORT of the COMMITTEE.

BEFORE Your Committee proceed to state the results of their Inquiries, it may be useful to offer a brief review of the principal Legislative Enactments which have heretofore passed, relating to the Financial and Commercial Concerns of the Company.

The Charter granted by King William the Third, in the year 1698, is the foundation of the privileges now enjoyed by the United East India Company.

The exclusive privilege of trading Eastward of the Cape of Good Hope to the Straits of Magellan, then granted, was confirmed by the Act of 9 & 10 Will. 3, c. 44, and was subsequently continued to them by successive Acts of Parliament, until 1794. In 1793, the Act of 33 Geo. 3, c. 52, was passed, by which the British Territories in India, together with the exclusive Trade, were, under certain Limitations, continued to the Company for the further term of 20 years. In 1814, the Trade with India was opened to the Public, and that with China, and the trade in Tea generally, was reserved exclusively to the Company.

The Capital Stock of the Company was originally £. 2,000,000. It was afterwards increased, under the authority of successive Enactments, as follows:—

In 1708	1,200,000
1786	800,000
1789	1,000,000
1794	1,000,000
Total	£. 6,000,000

Some of the portions of this Capital were raised at rates far exceeding their nominal amount. The sum actually subscribed in 1794 was 2,027,295 *l.*, and the whole amount which has been paid into the Company's Treasury for capital stock is 7,780,000 *l.*

The Legislative Enactments respecting the Territorial Possessions of the Company commenced in 1767. In that year it was agreed, between the Public and the Company, that in consideration of an annual payment of 400,000 *l.*, the large Territorial Possessions which had been recently obtained in India should remain in possession of the Company for the term of two years. This term was afterwards extended to five years more, from the 1st February 1769. The Sums paid to the Public under these two Acts were— 7 Geo. 3, c. 57. 9 Geo. 3, c. 24.

In 1768	£. 400,000	–	–
1769	400,000	–	–
1770	400,000	–	–
1771	400,000	–	–
1772	200,000	–	–
1773	253,779	3	5¼
1775 (payable in 1773)	115,619	14	9
Total	£. 2,169,398	18	2¼

In

In 1773 the Company presented a Petition to Parliament, praying for relief. They solicited a Loan for four years, and a sum of 1,400,000*l.* was accordingly lent to them. Parliament, upon that occasion, first assumed a general regulation of the Company's Affairs. The Governor-General in Council, and the Supreme Court of Judicature at Calcutta, were established; the mode of electing Directors, and the qualification of Voters, were determined; an appropriation was made of the Revenues and Profits of the Company; the Dividend was regulated; and Statements were required to be rendered half-yearly to the Treasury of the Profit and Loss upon the Trade and Revenues, and of the Company's Debts in England, exclusive of their Bond Debt.

13 Geo. 3, c.

13 Geo. 3, c. 64.

The Loan of 1,400,000*l.* having been discharged, two other Acts were successively passed, by each of which the Territory was continued to the Company for one year.

19 Geo. 3, c. 61.
20 Geo. 3, c. 56.

In 1781 an Act was passed for continuing the Territorial Acquisitions and Revenues in the Company for a period terminating upon three years' notice, to be given after 1st March 1791. Under this Act the Company paid to the Public 400,000*l.*, in satisfaction of all claims up to 1st March 1781.

21 Geo. 3, c. 65.

In 1793 the same privileges were extended to the Company from 1794 until the year 1814. Under the provisions of this Act, the Company were to pay to the Public the sum of 500,000*l.* annually, unless prevented by war expenditure; but, owing to the state of their Finances during that period of continued hostilities, they were unable to make more than two payments, of 250,000*l.* each, in the years 1793–4 and 1794–5.

33 Geo. 3, c. 52.

On two occasions subsequently to 1793, pecuniary assistance was rendered to the Company by the Public, under the authority of the Legislature. In 1810, a Loan of 1,500,000*l.* in Exchequer Bills, was advanced to them, which was repaid soon afterwards by advances for His Majesty's service, made in India. In 1812, a Loan of 2,500,000*l.* was raised by Government for the service of the Company, in consequence of the large demands upon the Home Treasury for the payment of Bills of Exchange for principal of India Debt. This Loan was liquidated in part by annual payments, and the balance was discharged in 1822.

50 Geo. 3, c. 114.

52 Geo. 3, c. 135.

The payment of large Sums to the Company was occasionally authorised by Parliament during the period between 1794 and 1814, not in the way of Loan, but in repayment of Advances previously made by them in India on account of His Majesty's Service.

In the years 1810, 1811, and 1812, Select Committees of the House of Commons were appointed to inquire into the State of the Affairs of the East India Company. They presented five Reports on different branches of the subject referred to them. The First Report communicated evidence on the existing state of the Company's Affairs preceding the advance of 1,500,000*l.* in Exchequer Bills. The Second, Third, and Fourth, were devoted to the Financial Affairs of the Company. The Fifth embraced several subjects, but principally treated of the Land Revenue and the Judicial System established in India.

In the Second Report, the Committee presented "a detailed Statement "of the *Ordinary Revenues and Charges* of the East India Company's "Territorial Possessions, and a comparison of the Amount of those "Revenues and Charges at the last renewal of the Company's Charter in "1793, with their Amount according to the latest advices which had "been received from India."

The Third Report treated of those Receipts and Disbursements in India which were termed *Extraordinary*, and of the Debts and Assets of the Company abroad.

In

In the Fourth Report, the Transactions of "the Home Concern," including China and St. Helena, were considered; and the state of the Company's affairs both at home and abroad was brought into one view, and compared with their state in 1793.

In all the Enactments down to that of 1793 inclusive, the Territorial and Commercial Affairs of the Company had been blended together as forming one undivided concern; and although the Revenues of the Company in India, and their Profits in Great Britain, had been separately appropriated, yet no direct provision had ever been made for accurately distinguishing, either in India or in England, those receipts and disbursements which were of a Political character, from those which properly appertained to the Commercial Branch.

The great difficulty which the Committees of 1810-11-12 experienced in the investigation of the East India Company's Financial Affairs arose chiefly from this circumstance, and is repeatedly adverted to in their Reports.

1813.
Sects. 64 & 65.

The Act 53 Geo. 3, c. 155, contains provisions which, by effecting a separation of Accounts between the two branches of the Company's affairs, appear to have been intended to remove this ground of difficulty for the future. It directs, that the Accounts of the Company, abroad and at home, shall be so kept and arranged, as to contain and exhibit the receipts, disbursements, debts and assets appertaining to, or connected with, the Territorial, Political, and Commercial branches of their affairs respectively; and that they shall be made up so as to exhibit the Accounts of the Territorial and Political departments separately and distinctly from such as appertain to, or are connected with, the Commercial branch of their affairs. It also directs, that a plan for the arrangement of the Accounts required to be laid before Parliament by the Act of 33 Geo. 3, c. 52, shall be prepared, and submitted to the Board of Commissioners for the Affairs of India for their approbation, and that the several Accounts required to be annually laid before Parliament shall be prepared and arranged in conformity to the principles of the Plan of Separation.

Appendix No. 1.

The appropriations made by the last-mentioned Act are as follow:

Sect. 55.

The Territorial Revenues, after defraying the expenses of collection, are required to be applied,

1st. In maintaining Forces and Forts, and providing Warlike and Naval Stores.

2d. In payment of Interest on Indian Debt, including such portion of it as might be demanded in Bills on the Court; to meet which, provision is required at all times to be made by consignments or remittances to England.

3d. In defraying Expenses of Civil and Commercial Establishments.

4th. Towards the liquidation of the Territorial Debt, or of the Bond Debt at Home, or to such other purposes (subject to the provision afterwards mentioned) as the Court of Directors, with the approbation of the Board of Commissioners, shall direct.

Sect. 56.

A sum is annually to be issued in India for Commercial investment, or remittance to England, equal to the payments made from the Commercial Funds at home, on account of Territorial Charges, in the year preceding.

Sect. 57.

The Commercial Profits, and other home receipts, are to be applied,

1st. To the payment of Bills of Exchange.

2d. To

2d. To the current payment of other Debts (except the Home Bond Debt), Interest, and Commercial expenses.

3d. To the payment of Dividends.

4th. To the reduction of Indian Debt, or Home Bond Debt.

The 59th Section of this Act provides, that, when the Indian Debt shall have been reduced to 10,000,000*l.*, and the Bond Debt at Home to 3,000,000*l.* sterling, the surplus proceeds of Rents, Revenues and Profits shall be applied to the repayment of the Capital of any Public Funds created for the use of the Company; and that the remaining Surplus shall be paid into the Receipt of the Exchequer, and constitute a Fund (not exceeding 12,000,000 *l.*) for securing the Capital Stock of the Company, and a Dividend of 10½ per cent. in respect thereof; and that, of the excess of such payments beyond 12,000,000*l.*, one-sixth shall be retained by the Company, and the remaining five-sixths be the property of the Public.

In consequence of the directions contained in the Act 53 Geo. 3, c. 155, a plan for the separation of the Accounts was prepared by the Court of Directors, and, after some Amendments, was approved by the Board of Commissioners.

A letter was addressed by the Court of Directors to the Governor General in Council, on the 6th of September 1813, containing instructions for carrying into effect the provisions of the Act. In reference to the separation of Accounts, it contains the following passage: "We cannot more distinctly explain our views of the construction of the Sections of the Act which have now been brought under notice, than by observing, that although the management of the whole, as one concern, remains with us, it is requisite that the Political Branch should be considered as an affair of Government, the Commercial as that of a Mercantile Transaction, and by debiting and crediting in Account the transactions between them in Advances and Supplies, as if they were absolutely distinct and separate concerns, so that Accounts of Receipt and Expenditure and Balance may be duly rendered by each respectively, in the way required by Parliament."

YOUR Committee have considered the Finances of India, since the last arrangement with the East India Company, in relation to

I.—The Territory of India.

II.—The connexion of the Territorial Finances with the Commerce of the East India Company.

I.—The Territory of India.

Under this head Your Committee have inquired, What have been the Revenues of India and the Subordinate Settlements, what the Charges, and what the Deficiency; From what sources, and in what way, that Deficiency has been supplied; and what are the Territorial Debts and Assets.

33 Geo. 3, c. 52, s. 126.
54 Geo. 3, c. 36, s. 55.

The East India Company are required, within the first 14 sitting days next after the 1st of May in every year, to lay before the Houses of Parliament, Accounts, Territorial and Commercial, made up according to the latest advices which shall have been received, and with as much accuracy as the nature of the case will admit.

Upon an examination of the Accounts laid before Parliament, under the Act 33 Geo. 3, c. 52, Your Committee were unable to reconcile the different

different Financial Statements with each other. Although it was highly probable that many of the discrepancies were only apparent, yet, in order to obtain clear and satisfactory results, it was deemed necessary that all the intermediate Receipts and Disbursements, by which the alleged state of the Territorial Finances at the commencement of the present term might be traced to their alleged state at the end of it, should be clearly and satisfactorily explained, and the one made exactly to agree with the other.

It has been stated, and, Your Committee doubt not, correctly, that Accounts made up within the time which Parliament has thus prescribed, cannot exhibit such balanced Statements of Results as would preclude the risk of errors or omissions; and although it has been the practice to accompany the Accounts required by the Parliamentary Enactment with Abstracts of the Cash Statements of Receipt and Disbursement made up in India, yet it was not possible, without further information, to deduce from them full and complete Statements of the Financial Results.

Under these circumstances, a new series of Accounts was called for; and these, together with some further explanations, having been supplied, a Report, drawn up under the direction of the Board of Control, in which it was shown that these Accounts had been reduced to the test of a balance, was laid before Your Committee. A Balance Sheet, together with an explanation of the principle upon which it is made out, will be found in that Report.

Commercial and Territorial Series, Appendix, Nos. 3 and 4.

Appendix No. 2.

1. *Territorial Revenues.*

The Gross Revenues of the three Presidencies and the Subordinate Settlements, during the fifteen years ending in 1828–9, were as follows:

Appendix, Nos. 7, 8 & 9, to No. 2.

Bengal - - - - -	£. 196,121,983
Madras - - - - -	- 82,042,967
Bombay - - - - -	- 30,986,970
	£. 309,151,920
Subordinate Settlements - - -	- 821,505
TOTAL - - -	£. 309,973,425
To this may be added a Sum received in 1815–16 from the Vizier of Oude in exchange for Territory - - - - - - - - -	1,109,975
TOTAL - - -	£. 311,083,400

The following Statement for the year 1828–9 will show the proportions in which the Revenue is derived from different sources:—Mint Receipts, 19,414*l.*; Post-Office, 135,617*l.*; Stamps, 368,431*l.*; Judicial, 126,464*l.*; Land Revenue, including certain small miscellaneous receipts, 12,895,366*l.*; Syer and Abkaree, 861,196*l.*; Small Farms and Licences, and Moturpha, or Tax on Professions, 152,780*l.*; Ceded Territory on the Nerbuddah, 457,923*l.*; Burmese Cessions, 117,326*l.*; Subsidies from Mysore, Travancore, and Cochin, 392,355*l.*; Salt, 2,700,147*l.*; Opium, 1,930,891*l.*; Tobacco, 85,128*l.*; Customs, 1,869,634*l.*; Marine, 77,787*l.*; Profits of the Madras Government Bank, 10,013*l.*; Extraordinary Receipts from Ava, Bhurtpore, and Scindiah, and from the Madras Native Pension Fund, 491,249*l.*; making the Total Revenue in this year 22,691,721*l.*

Papers presented in February 1830, by the King's command, No. 2, Appendix No. 11, to No. 2.

The Gross Revenues of India have progressively increased to a considerable amount. Their annual average amount, in the three last years of the term which expired in 1814, was 16,764,700 *l.*; the average of the three last years, up to 1828-9 inclusive, was 22,987,472 *l.*

These sums, being stated in gross, are chargeable with the expenses incurred in the collection of the Revenue, in the manufacture of Salt and Opium, and in the payment of Stipends under the several Treaties and Engagements by which the Company hold the Territory, amounting to about five millions per annum. After deducting this sum, the remainder is the Revenue applicable to the Expenses of the Civil and Military Government, and the Interest of the Debt.

Evidence before Lords, 1830.

Appendix, No. 38.

The Gross Revenue of India has been increased by the acquisition of new Territory; but improved and extended Tillage, enlarged Commercial Dealings, an increase of Population, the enactment of better Laws, more efficient management on the part of Government, new Stamp Duties, and a great increase in the demand for Opium in China, have all contributed to improve the Revenues.

The principal heads of Revenue have been generally productive.

The Land Revenue, which stands first in importance, has materially increased *. In the permanently settled Districts, or Lower Provinces, of Bengal, it has been progressively augmented by the cultivation of Waste Lands and other causes. In the Western Provinces there has been a large increase. At Bombay the amount has fluctuated; but in consequence of new accessions of Territory in the earlier years, there has been a considerable increase of receipt. In the more recent years, both at Madras and at Bombay, defalcations of some magnitude have occurred, owing to depression in the price of Grain. But the deterioration has not equalled the increase, since 1814, in the resources of the Bengal Provinces.

There has been a large augmentation of the Revenue arising from the Salt and Opium Monopolies; and the Revenue from Customs, although, from a variety of causes, it has fluctuated, has exhibited in the later years a steady improvement.

2. *Territorial Charges.*

These Charges consist of those defrayed in India, and those paid by the Court of Directors at Home.

The

* LAND REVENUE.

	BENGAL.		MADRAS.	BOMBAY.	TOTAL.
	Lower Provinces.	Western Provinces.†			
	£.	£.	£.	£.	£.
1814–15 -	3,320,817	3,590,835	3,790,224	472,074	11,173,950
1817–18 -	3,276,093	3,822,114	3,901,458	788,068	11,787,733
1820–21 -	3,373,385	4,198,303	3,781,601	1,794,240	13,147,529
1823–24 -	3,382,803	4,241,722	3,567,556	1,626,223	12,818,304
1826–27 -	3,408,917	4,350,853	3,700,773	1,894,604	13,355,147
1827–28 -	3,487,053	4,241,301	3,631,552	1,842,593	13,202,499
1828–29 -	3,479,128	4,093,909	3,669,409	1,625,886	12,868,332
1829–30 -	3,474,518	4,140,984	3,552,802	1,609,729	12,778,033

† This head in the Bengal Accounts does not include the receipts from the late acquisitions on the Nerbuddah and in the adjoining districts.

The Charges of the several Presidencies, and of the Subordinate Settlements, exclusive of those which were paid in England, during the 15 years ending 1828–9, were as follows:

	£.
Bengal - - - - - -	167,747,449
Madras - - - - - -	85,129,351
Bombay - - - - - -	46,970,709
	299,847,509
Bencoolen, Prince of Wales Island, Singapore and Malacca - - - - -	2,893,792
St. Helena (net charge) - - - -	1,576,370
	£. 304,317,671

Appendix, Nos. 7, 8 & 9, to No. 2.

The Gross Charges of the Indian Territory have augmented in a greater proportion than the Receipts. The Average Annual Deficiency, after defraying all Charges both abroad and at home, in the last five years of the Charter which terminated in 1814, was - - - £. 134,662

Papers of February 1830, No. 2.

In the next five years, ending 1818–19, it was - - 736,853

In the five years ending 1823–24 - - - - - 27,531

And in the five years ending 1828–29 - - - - 2,878,031

Appendix, No. 11, to No. 2.

The Increase of Charge in the period from 1813–14 to 1818–19, was occasioned by the Military Expenditure incurred in the prosecution of the hostilities, commenced towards the end of 1814, against the Nepaulese, and in the subsequent operations against the Pindarrees and the Mahratta States.

Papers of February 1830, No. 2.

—	Amount of Military Charge.	Increase, as compared with 1813–14.
	£.	£.
1813–14	7,039,047	—
1814–15	7,892,099	853,052
1815–16	8,917,723	1,878,676
1817–18	9,279,598	2,240,551
1818–19	10,451,856	3,412,809

Amount of Military Charge in 1822–23	£. 8,405,771
Diminution, as compared with 1818–19	2,046,085
Increase, as compared with 1813–14	1,366,724

Amount of Civil Charge:

1814–15 - -	£. 6,072,763
1818–19 - -	6,972,352
1821–22 - -	8,105,420
1822–23 - -	9,031,317

The general peace which was secured by these operations enabled the Local Governments, during the four years ending in 1822–23 (the year preceding the Burmese War) to effect progressively an extensive reduction of Military Charge. But the large accession of Territory gained by the Company was attended with a material augmentation of the Civil Establishments; which, together with the increased amount of the annual Advances to the Manufacturers of Salt and Opium, occasioned a large addition to the Civil Charges of India.

The Charge for Buildings and Fortifications amounted, in 1814–15, to 217,589*l.* In the subsequent years, to 1818–19, it progressively diminished: but in 1819–20, it increased to 270,085*l.*; in 1821–22, to 296,226*l.*; and in 1822–23, to 646,394*l.* The apparent large increase of the last year, however, is in a great measure only nominal, the whole of the Charges actually incurred for Buildings and Fortifications not having been separately shown in the Financial Statements received from the Presidencies for any of the previous years.

The greatest increase in the Gross Charges took place in the four years ending in 1827–28. The deficit of these four years constitutes two-thirds of the deficit for the whole period from 1814–15 to 1827–28. The total average increase of Charge in those four years, as compared with 1823–24, was 4,529,494*l.* Of this large increase, the part incurred in India was 3,827,158*l.*; and the part incurred in England was 702,336*l.* Of the part incurred in India, 1,108,251*l.* was an increase of Civil Charge; 2,695,749*l.*, an increase of Military Charge; and 23,158*l.* the increased

Evidence before Lords, 1830, p. 10.

Interest on Debt*. The increase in the Civil Charges arose at the Presidencies of Bengal and Bombay, but principally at that of Bengal, under the following heads of Account: Embassies and Missions, including the Mission to Persia, and the payment of some Arrears of Subsidy; Provincial Battalions; the Ecclesiastical Establishment; the Contributions to Civil and Annuity Funds, to Schools and Charitable Institutions; and the Revenue and Judicial Establishments generally. The augmentation of Military Charge was caused by the Burmese War, the operations against Bhurtpore, and an increase in the number of King's and Company's Regiments in India. The augmentation of the Charge incurred at Home was caused by an increase of the Sums issued for Officers' Pay on Furlough and Retirement; by increased Expenses for King's Troops serving in India; and by an extraordinary increase in the quantity of Territorial Stores supplied to India.

Papers of February, 1830, and Continuation Papers, March 1831.

	£.
Indian Charges and Interest, of the Three Years 1811-12 to 1813-14 - - -	45,303,996
St. Helena - - -	260,100
Home Charges - - -	3,935,995
Total - - -	£.49,500,091
Average - - -	£.16,500,030

The Average Annual Amount of the Gross Charges of the Indian Territory, in the last three years of the former Charter, was 16,500,030*l.* In the three years ending in 1827-28, it was 25,902,817*l.*

The proportions of this Increase applicable to the Civil and Military Departments respectively, to the manufacture of Salt and Opium, to the Interest of Debt, and to the Expenditure incurred in England, are as follows:

	AVERAGE of Three Years, ended 1813-14.	AVERAGE of Three Years, ended 1827-28.	INCREASE.
	£.	£.	£.
Civil, Revenue, Judicial and Marine, including Ceded and Conquered Countries, and Supplies to Bencoolen and St. Helena - - -	5,804,369	8,305,065	2,500,696
Advances for Salt and Opium, and Charges -	708,660	1,291,434	582,774
Military - - - - - - - - -	6,954,674	11,731,092	4,776,418
Buildings and Fortifications - - - -	224,864	724,291	499,427
Interest on Debt - - - - - -	1,495,460	1,748,513	253,053
Political Charges in England - - -	1,311,998	2,102,422	790,424
£.	16,500,025	25,902,817	9,402,792
The Average Annual Charge of Ceded and Conquered Countries, during the same periods, was - - -	2,160,723	3,276,356	1,115,633

The following Statement will show the proportions of Charge for the three Presidencies, including the Ceded and Conquered Countries, in each of the Departments comprised in the first head of the above Account, for the year 1827-28.

Land Revenue, Sayer and Abkaree, 3,817,551 *l.*; Customs, 220,123 *l.*; Stamps, 91,126 *l.*; Mint, 62,032 *l.*; Post-office, 137,262 *l.*; Civil Establishments, &c. 1,911,123 *l.*; Judicial, 1,786,257 *l.*; Marine, 349,389 *l.*; Total, 8,374,863 *l.* The Interest on Debt was 1,920,532 *l.*

After

* The Evidence from which these Statements are drawn was delivered before the last series of adjusted Accounts had been prepared. The sums here inserted represent, therefore, an approximative, rather than the actual, proportions of Charge.

After Peace had been concluded with the Burmese, the Court of Directors issued positive orders for the immediate reduction of Expenditure in India. The financial result of 1823–24 was referred to for the purpose of comparison, and the Charges of that period were assumed as the standard to which the existing Charges were to be reduced. The great improvement that had taken place in the financial results of the three preceding years (exhibiting an average surplus of 728,196 *l.*) arose chiefly from causes of an extraordinary nature. For the year 1823-24 the Accounts exhibited a deficiency of 860,862 *l.*; but this was occasioned by an extraordinary payment of 1,201,201 *l.* to the Nizam, in redemption of an annual peishcush or tribute of 72,072 *l.* The Revenue of the year was of fair average amount, and the charges had been so little affected by the commencement of the Burmese war, that they might be considered as those of a year of peace.

Letter in Territorial Finance Department, 12 Dec. 1827, Parliamentary Paper, No. 199, 1830.

Papers of February, 1830, No. 2.

Extraordinary Payment	£. 1,201,201
Actual Deficit - -	860,862
Surplus in 1823–4, over Ordinary Charges -	£. 340,339

In the orders that were issued, a Statement was drawn out, showing that, according to the standard of 1823–24, an immediate reduction upon the Indian Expenditure, as estimated for 1826–27, to the extent of 2,924,155 *l.*, would be necessary. The difficulty of carrying these reductions into effect was considered to be outweighed by the embarrassments which an excessive Expenditure must occasion. The financial character and condition of the Bombay Presidency were pointed out as peculiarly calling for improvement.

Rupees 2,55,50,275
Bengal, £. 1,423,640
Madras 434,858
Bombay, 1,065,657

These orders, although extensively acted upon, have not yet been fully carried into effect. It has been recently shown by the Accountant-General of Bengal, that on a comparison with the Expenditure of 1829–30, a further reduction of 80,73,063 rupees, or, at the Board's rates, about 919,290 *l.* remains to be effected.

See Appendix, No. 5.

Of this excess the proportion belonging to the respective Presidencies is as follows: The Charges of Bengal were lower than in 1823-24 by 103,644 *l.*; the Interest on Debt was higher by 314,537 *l.* The Charges of Madras were higher than in 1823-24 by 251,891 *l.*; the Interest higher by 49,406 *l.* The Charges of Bombay were higher by 402,319 *l.*; the Interest higher by 4,781 *l.* The reduction, therefore, requisite at each Presidency, supposing reduction to be practicable according to the scale of their respective Establishments in 1823–24, would be, in Bengal, 210,893 *l.*; at Madras, 301,297 *l.*, and at Bombay, 407,100 *l.*

On a comparison of the Expenditure of 1829–30 with the estimated Expenditure of future years, it has been computed that, when all the reductions now ordered and in progress shall be carried into full effect, the sum of 80,73,063 rupees, or 919,290 *l.* above shown, may be diminished by about 25,80,000 Rupees, or 287,170 *l.*, leaving an extent of reduction to be still effected, in order to fulfil the orders of the Court of Directors, amounting to 54,93,063 Rupees, or 632,120 *l.*

Appendix, No. 6.

The causes which have led to the increase of Charge are characterized by the Court of Directors in the following terms:

"We have contemplated with much solicitude the present very unsatisfactory state of your Finances, and we have carefully and minutely examined the causes which have led to it. We observe that it has been brought about, less by the pressure of occasional and extraordinary Expenditure, than by continual progressive augmentations of Charge in every Department, which, viewed separately, may have appeared, at the times they were made, to have been justifiable; but which, taken in the aggregate, have occasioned a large excess of Disbursement beyond the

Territorial Finance Letter to Bengal, 19 May 1830. Lords' Paper, 151 of 1830.

resources from which alone such Charges ought to be defrayed. The great amount of that excess has absorbed every accession or improvement of Revenue, however considerable, has increased your Debt, and has left you burthened with a heavy deficit."

Two Finance Committees, one Civil and one Military, were appointed in 1828, by the Supreme Government in India, to revise the Expenditure and Establishments of the Three Presidencies.

See Instructions and Reports of Civil Finance Committee, General Appendix.

The Civil Finance Committee were directed to inquire into the Civil Establishments in the General, Judicial, Revenue, and Marine Departments. With some few limitations, they were left free to push their inquiries to the utmost extent to which they might consider it necessary or expedient to carry them.

The Military Finance Committee were, upon similar principles, and with few exceptions, directed to embrace in their inquiries all matters connected with Military Finance.

Evidence before Lords, p. 525, 5701, of 1830.
5697, of 1830.

Considerable reduction of Charge was effected in consequence of these inquiries; and in addition to the Military retrenchments made in India, the Court of Directors issued Instructions for a specific reduction of the Army. The whole of the Military reductions, it is estimated, will produce their full effect in the year 1832–33; and it has been stated that the Army will then not only be reduced below the Peace Establishment prior to the Burmese War, but will not much exceed its strength in 1813, before the Nepaul War, notwithstanding the extension of Territory that has taken place since that period. Considerable reductions of Civil Expenditure were also ordered by the Court.

Appendix, No. 7.

A Statement will be found in the Appendix, showing, in detail, what are the reductions of Indian Allowances and Establishments (Civil, Marine, and Military,) ordered by the Court and the several Local Governments, since the close of the year 1827–28, distinguishing, as far as can be done, such as were to have immediate, from those which it was intended should have only prospective, effect; and a further Statement, showing the estimated effect of those measures of reduction which have been recommended by the late Civil Finance Committee, whether of those adopted, or of those which have been rejected, or are still under consideration.

57 to 71. 303 to 305, of 1832.

In reference to the future Charges in India, it has been observed, that hitherto the Expense incurred in putting down internal Insurrection has been small, and that the chance of War seems to be greatly diminished. Formerly the British Territory was so distributed that it surrounded, and was surrounded by, a hostile country: now there is no enemy, properly so called, within the whole Peninsula of India.

On the other hand, it is to be considered that the reductions which have been ordered are computed according to a scale of expenditure adapted only to a state of peace, both with European and Indian Powers.

The Territorial Charges in England:

These consist of Payments made on account of Passage of Military, Pay to Officers, including Off-reckonings, Political Freight and Demurrage, Pay-Office demands for King's Troops serving in India, Retiring Pay, Pensions, &c. to King's Troops, Political Charges General, (including the Political Charge for the Establishments at the India House, the Board of Control, Haileybury, Addiscombe, Chatham, &c.;) Miscellaneous Expenses on Account of Prince of Wales Island, Singapore, &c.; Charges of the Tanjore Commission,

Commission, Absentee Allowance, &c. to Civil Service, Territorial Stores, and Charge of St. Helena.

Appendix to Lords' Evidence, 1830, p. 524.

Conflicting Evidence has been given as to the possibility of effecting material reductions in these Charges, and of transferring them to India. Upon an annual average of 15 years they have been shown to amount to 1,693,472 *l.* In 1828–29 they amounted (including a Payment to Persia) to 2,080,459 *l.*; in 1829–30, to 1,837,110 *l.*; in 1830–31, to 1,553,599 *l.* They are estimated for the future at 1,730,000 *l.*

Evidence before Lords, 1830, p. 11. Coms. 184, 1154, 1438, 1962, of 1832. Appendix, No. 22. & B. 2, of No. 23.

Other Payments on account of India to a considerable amount are made by the Home Treasury, which do not constitute an additional charge upon the Revenues, a corresponding charge being brought to account in India. These consist of Bills of Exchange drawn upon the Court in discharge of the Interest, and occasionally of the Principal, of Debt in India, and on account of the Effects of deceased Officers, which are remitted from India; Advances to Retiring and Compassionate Funds for the various Branches of the Service, which are repaid by the Funds in India, &c.

Commercial Series, No. 9.

The whole of the Interest upon the Territorial Debt, and upon the Debt due to the Creditors of the late Nabobs of the Carnatic, whether paid in this Country or in India, is brought to account in India.

	£.
In 1827–28 the portion of Interest upon Territorial Debt which was paid in this Country, was - - - -	522,438
In 1828–29 - - - - - - - - -	640,570

Papers of February, 1830, No. 21.

It has since risen to 904,761 *l.*; but in consequence of measures adopted to limit the demand on England, is estimated to be reduced to about 700,000 *l.*

Parliamentary Paper, 1832, No. 518.

Nearly the whole of the Interest upon the Carnatic Debt is demanded in this country. This arises from the Interest having been made remittable to this country at an exchange of 8 *s.* the Pagoda.

Evidence before Lords, 1830, p. 27.

In 1827–28, the amount was - - - -	£. 113,482
In 1828–29 - - - - - - -	89,771

Papers of February, 1830, No. 21.

During the whole period from 1814–15 to 1828–29, the amount of Bills of Exchange paid for Interest of India Debt, was 9,563,315 *l.*, or on the average 637,554 *l.* per annum; and the amount of Bills paid for Principal, was 4,891,593 *l.*, or on the average 326,106 *l.* per annum. The amount of Advances to various Funds, paid in 1828–29, was 153,855 *l.* The remittances of Effects of deceased Persons were, in the same year, 60,109 *l.*

Papers of February, 1830, No. 21.

Certain receipts into the Home Treasury, of a Political character, have from time to time been applied to the discharge of the Bills of Exchange above-mentioned. These consist of Bullion remitted from India, Receipts from His Majesty's Government on various accounts, &c.

Commercial Series, No. 9.

In the 15 years these Receipts amounted to 7,216,331 *l.*, or on the average 481,088 *l.*

Papers of February, 1830, No. 21.

Army and Navy.

The expenses of the King's Regiments serving in India, which are defrayed in this Country, are repaid to His Majesty's Government by the East India Company, and constitute part of the "Territorial Charges in England" above adverted to. The number of King's Troops in India to be charged upon the Territorial Revenues is however limited to 20,000 men, unless, upon the requisition of the Court of Directors, that number is augmented. An additional sum of 60,000 *l.* per annum is also paid to the Public by the Company on account of the Half-pay and Pensions of such of His Majesty's Troops as have served in India. The expense

See Military Appendix.

53 Geo. 3, c. 155, s. 87.
4 Geo. 4, c. 71.

expense of the King's Naval Force employed in the Indian Seas is paid by the Public; but if it is augmented upon the requisition of the Court of Directors, the expense of such augmentation is chargeable upon the Territorial Revenues.

7 Geo. 4, c. 52.

Financial Transactions with the Public.

The new East India Company, established under the authority of the 10 Will. 3, advanced to Government, at the time of their incorporation, the sum of 2,000,000 *l.*, at eight per cent. interest. In 1708, the Joint Company lent a further sum of 1,200,000 *l.*, without interest. In 1744, the Company agreed to lend 1,000,000 *l.* at three per cent. to Government, on their exclusive trade being continued to 1783. In 1749, the Company were empowered to raise money, towards the discharge of their Bond Debt, by the sale of Annuities to the amount of the Debt due from the Public to the Company. The sum of 2,992,440 *l.* 5 *s.* was accordingly sold. This sum, together with 1,207,559 *l.* 15 *s.*, being the residue of the Debt of 4,200,000 *l.*, was, by the 33 Geo. 3, c. 47, placed under the management of the Bank, and engrafted upon the Three per Cent. Reduced Annuities.

6 Anne, c. 17.
17 Geo. 2, c. 17.
23 Geo. 2, c. 22.

By the 7th section of this Act it is provided, that, if the Company shall retain their share of the Annuities, or any part thereof, until their exclusive trade be determined by the authority of Parliament, the amount so retained shall be paid off at par. The amount retained by the Company is 1,207,559 *l.* 15 *s.*, which, accordingly, they are entitled to receive at the close of the present arrangement. Interest is now paid by the Public upon this amount.

The Account between the Public and the Company, finally adjusted in the year 1822, had no reference to the above-mentioned Annuities. At that time the demand of the Company on the Public, arising out of various expeditions undertaken against the French and Dutch Islands, the Cape of Good Hope, &c. together with supplies to the King's Service in India, amounted, without Interest, to 11,277,828 *l.* The credit claimed by Government was 9,291,940 *l.*, also without Interest. After some discussion, it was agreed to close the Accounts by a payment of 1,300,000 *l.* from the Public to the Company. This sum was applied in part discharge of the Loan of 2,500,000 *l.* made by the Public to the Company in 1812. The Loan, however, had no other connexion with the Account between the Public and the Company which is now the subject of remark. The sum of 557,322 *l.*, necessary to redeem the remainder of that Loan, was paid by the Company; and an Act was passed, discharging them of all future claims in any way relating to it.

3 Geo. 4, c. 93.
Appx. No. 8.

As the Debts of the Company have never been reduced to the prescribed limit, no payment has been made into the receipt of the Exchequer under the 59th section of the Act of 1813. On the other hand, no application has been made to the Public, since that year, for pecuniary assistance.

3. *Territorial Deficit.*

Appendix, No. 11. to No. 2.

In consequence of the large Surplus of Revenue which has been realized in Bengal, there has been, for the fifteen years ending in 1828–29, notwithstanding the deficit at the other two Presidencies, a Surplus of Revenue over such Charges as are brought to account in India, amounting to 604,281 *l.* for the yearly average, or 9,064,228 *l.** for the whole period; but this is exclusive of the Expenses of the Subordinate Settlements, and of all the Home Charges. In

Appendix, No. 2.	
Total Revenue -	£. 309,151,920
Total Charge -	300,087,692
	£. 9,064,228

* Territorial Series, Introductory Statement.

In Bengal the Surplus has amounted to an annual average of 1,891,635 *l.*, or, for the whole period, to 28,374,534 *l.*

Total Revenue -	£. 196,121,983
Total Charge -	167,747,449
(Appendix, No. 7 to No. 2.) -	£. 28,374,534

At Madras the Deficit has amounted to an annual average of 205,758 *l.*, or, for the whole period, to 3,086,384 *l.*

Total Revenue -	£. 82,042,967
Total Charge -	85,129,351
(Appendix, No. 8 to No. 2.) -	£. 3,086,384

At Bombay the Deficit has amounted to an annual average of 1,081,595 *l.*, or, for the whole period, to 16,223,922 *l.*

Total Revenue -	£. 30,986,970
Total Charge -	47,210,892
(Appendix, No. 9 to No. 2. -	£. 16,223,922

The Treasuries of Bombay and Madras have been supplied by Remittances from the Bengal Treasuries. The amount of these Supplies is stated in the Books of the three Presidencies, as follows:

		£.	
Bengal: Net Supplies to Bombay and Madras - -		20,626,883	Territorial Series, No. 7, A, B, & C.
Bombay: Net Supplies received - -	£. 18,007,659		
Madras: Net Supplies received - -	2,197,429		
		20,205,088	
Unadjusted differences in the Books of the three Presidencies		£. 421,795	

The Accounts for the Subordinate Settlements exhibit a deficiency of Revenue to meet the Charges.

At Bencoolen, Prince of Wales Island, Singapore, and Malacca, there was a deficiency on the annual average of 138,152 *l.*, or, for the whole period, of 2,072,287 *l.* Appendix, No. 1. to No. 2.

At St. Helena, the deficiency has been, on the annual average, 105,091 *l.*, and, for the whole period, 1,576,370 *l.* Appendix, No. 1. to No. 2.

The Territorial Payments in England (exclusive of those entered under the head of St. Helena) chargeable upon the Revenues of India have been, on the annual average, 1,588,381 *l.*; and, for the whole period, 23,825,712 *l.*

Territorial Payments	£. 16,509,118
Political Stores -	7,316,594
(Appendix, No. 10 to No. 2.) -	£. 23,825,712

From the foregoing Statements it appears that, upon a comparison of the ordinary Revenues and Charges, there has been a Deficit, amounting, on the annual average, to 1,227,343 *l.*; for the whole period, to 18,410,141 *l.*

Net Supplies to Bencoolen, &c.	£. 2,072,287
Net Charge of St. Helena - -	1,576,370
Territorial Payments in England -	23,825,712
	27,474,369
Deduct, Surplus Revenue in India	9,064,228
(Appendix, No. 11 to No. 2.)	£. 18,410,141

It appears that there have been other outgoings of an extraordinary nature, which are stated as follows:

		£.	
Miscellaneous outgoings not included in Charges, chiefly arising from the difference in the Rates of Exchange at which Bills for Principal and Interest of India Debt were actually drawn, and those realized in England by Treasure and other remittances effected for their discharge - - - - - - - -		993,903	Appendix, No. 5 to No. 2. Ditto, No. 2 to No. 2.
Repayment to the Public: Loan of 1812 - - -		3,017,172	Territorial Series, Introductory Statement.
Unadjusted Debits and Credits between the Presidencies - - - - - -	421,795		
Ditto - between the several Treasuries subordinate to Madras - - -	289,968		
		711,763	
Carried forward - - £.		4,722,838	

	Brought forward - - £.		4,722,838
Commercial Series, No. 11.	Bills for Interest of India Debt, drawn antecedently, but paid subsequently, to the commencement of the Company's present Term - - - - -	£. 1,396,913	
Ditto.	Deduct Bullion per Stirling Castle, shipped antecedently, and arrived in England subsequently, to the commencement of the Company's present Term - -	324,015	
			1,072,898
			5,795,736
	Deduct,		
Ditto.	Bills not due on the 30th April 1829, and not therefore included in the Account between the two Branches -		1,152,966
			4,642,770
	To which add the Deficiency above stated - -		18,410,141
	Total Deficit - - - £.		23,052,911

The extraordinary resources, by the aid of which this Deficiency has been supplied, are stated to be as follows:

Territorial Series, No. 6.	Money received on Loan in India - - - -	17,289,864
Commercial Series, No. 3.	Surplus Profits applied to the Payment of Bills of Exchange for Principal of India Debt - - -	2,256,182
Ditto, No. 7.	Advances by Commerce to Territory in England, as directed by 53 Geo. 3, more than was repaid in India,	
Ditto, No. 10.	forming a Debt due by Territory to Commerce -	3,036,578
Ditto, No. 11.	Short Credit by Commerce to Territory in India, as explained in No. 10, Commercial Series - -	129,919
	Balance due from His Majesty's Government at the commencement of the present Charter, set off in Account Current between the Company and the Crown - - - - - - - - -	2,112,113
		24,824,656
	Deduct the Total Deficiency above stated - - -	23,052,911
	Excess of Extraordinary Resources - - - £.	1,771,745

The above excess has occasioned an increase of Cash in the Indian Treasuries, viz.

Territorial Series, No. 7. D.	Cash Balance in India, 30 April 1814	£. 5,548,476	
	Ditto - - - - 30 April 1829	- 7,320,221	
	Increase of Cash Balance - -		1,771,745

From this Statement it may be seen that of the Territorial Deficiency of 18,410,141 *l.*, and the Miscellaneous Outgoings of 993,903 *l.* (making together 19,404,044 *l.*), there has been raised by borrowing, 14,642,431 *l.* *; and

	£.
* Money raised on Loans and Deposits in India, including £. 2,666,839 Surplus Profit	17,289,864
Deduct Surplus Profits made available in India - - - - - - -	2,666,839
	14,623,025
Borrowed from the Commercial Branch - - - - - - - - - -	3,036,578
	17,659,603
Loan of 1812 paid off - - - - - - - - - - - - - -	3,017,172
Money raised by borrowing, or difference between Debt incurred and paid off } £. Carried forward - -	14,642,431

and by the direct application of Surplus Commercial Profits, 4,923,021 *l.* making in the whole 19,565,452 *l.*, and leaving an increase of Territorial Assets of the amount of 161,408 *l.*

Of the deficiency, therefore, for the whole period, about one-fourth has been directly supplied by Commercial Profits, and nearly three-fourths by Money Borrowed. On the annual average, the Money raised by Borrowing has been 976,162 *l.*; and by direct application of Surplus Commercial Profits, 328,201 *l.*

4. *Territorial Debts.*

These consist—1st. Of the Debts in India; 2d. Of the Debts in England.

1st. *Territorial Debts in India.*

The amount of the Debt in India was as follows, in the years 1792, 1809, 1814, and 1829, respectively:

—	Debt at Interest.	Floating Debt.	Total.	
	£.	£.	£.	
On 30th April 1792 - - -	7,129,934	2,012,786	9,142,720	2d Report, 1810, Appendix, No. 7.
— 1809 - - -	27,089,831	3,722,610	30,812,441	Papers of February, 1830, No. 3.
— 1814 - - -	26,970,786	3,948,834	30,919,620	Appendix, Nos. 17 & 18.
— 1829 - - -	39,377,880	7,877,494	47,255,374	
The increase of Debt in 1829, as compared with 1792, was therefore - - - - -	32,247,946	5,864,708	38,112,654	
As compared with 1814, the increase was - - - -	12,407,094	3,928,660	*16,335,754	

Explanations have been offered as to the general character of the Debt in India, and the principal changes by which of late it has been affected; and

			£.
Brought forward - - - -			14,642,431
Surplus Commercial Profit - - - - - - - - - -			4,923,021
			19,565,452
Expenditure - - - - - - - - - - - - - -			19,404,044
Increase of Assets (as explained below) - - - £.			161,408
Due from Government in 1814 - - - - - - -		£. 2,112,113	
Short Debit to Commerce in India - - - - - -		129,919	
Bullion per Stirling Castle - - - - - - - -		324,015	
		2,566,047	
Bills drawn before 1814 - - - - - -	1,396,913		
Bills not due 30th April 1829 - - - - -	1,152,966		
	243,947		
Increase of Cash and difference between the Presidencies,	2,483,508		
		2,727,145	
Increase of Assets - - -		£. 161,408	

* This Sum comprises the Amount of Debt of every description which was incurred on account of the Territorial Branch in India during the period above stated, and consequently differs from the Sums mentioned in Page 39 as the Amount of Debt incurred, the latter being solely confined to the Debts on account of which Cash was actually received into the Company's Treasuries.

Appendix, No. 9.

and a Statement is inserted in the Appendix, showing the Amounts of the various descriptions of the Debt of India, with the Rates of Interest they respectively bear, and also the Dates at which each denomination will be liable to be paid off.

It appears that the Territorial Debt owing by the East India Company, at their several Presidencies in India, consists of two descriptions; viz. 1. The Debt at Interest, which is principally composed of Registered Debt, or Sums which have been raised on Loans, and of Treasury Notes; and, 2. The Floating Debt, or Debt not at Interest, consisting, for the greater part, of Arrears of Salaries and Allowances due to Civil Officers, of Pay due to the Military; and of Deposits.

That part of the Debt at Interest which is termed the "Registered Debt," consists of Sums raised from time to time on Loan at Interest, and secured by Bonds granted to the Creditors by the Governor General in Council, (numbered and repayable by a fixed rule regulated by the order in which they are registered,) wherein the amount borrowed is declared to be a Loan to the East India Company, and an engagement is given, for and in behalf of the Company, to discharge the Sum under certain conditions. None of those conditions, however, give to the Creditors any direct claim on the Territorial Revenues of India for the repayment of the Sums thus advanced by them. The first creation of the Registered Debt does not appear to have been directly authorized by the Charter of the East India Company, or by Act of Parliament; but subsequent Enactments of the Legislature have fully recognised it, and in a manner which it is supposed has given to the Creditors a claim on the Territorial Revenues of India for repayment of the Money advanced by them to the Company.

Appendix, No. 19, p. 265.

The Amount which the Promissory Note engages to repay has, with few exceptions, been the same with that actually received by the Government.

Before the year 1808, a large portion of the Principal of the Registered Debt, bearing interest at the rate of 10 and 8 per cent. per annum, was payable, at the option of the Proprietors, in Cash in India, or by Bills on England. In consequence of orders from the Court of Directors, the Bengal Government, in the course of the years 1808 to 1810, effected a change in this Debt, by which none of the Principal could any longer be demanded in England; and the Interest, although remaining as before payable in India, or by Bills on the Court at 2*s.* 6*d.* the Sicca Rupee, was reduced to 6 per cent. Transfers of upwards of Thirteen Millions sterling were made, under the terms offered by the Government, into the New 6 per Cent. Securities; 3,365,000 *l.* was demanded in Cash of the Local Governments; and 6,502,000 *l.* in Bills on the Court. It was for the purpose of meeting this demand upon the Home Treasury that the Company borrowed money from the Public in the years 1810 and 1812.

3d Report, 1811, p. 372.

1810, £.1,500,000
1812 - 2,500,000

Appendix, No. 10.

In 1812, under the terms of a New 6 per Cent. Loan, the option of demanding Payment of the Principal by Bills on England was partially restored. The Interest remained payable as before; so that, as respected Interest, the whole of the Proprietors of the Registered Debt of India, down to the year 1821, possessed the privilege of demanding the Payment of their Interest, either in Cash in India, or by Bills on the Court of Directors at the exchange of 2*s.* 6*d.* the Rupee. The great Reduction which

which occurred in 1820–21, in the Mercantile Rate of Exchange*, for Bills drawn in India on this country, rendered it highly advantageous to the Loan Proprietors to avail themselves of this privilege, and require Payment of their Interest by Bills † on the Court.

In order to obviate the loss and the inconvenience to the Home Treasury arising from this cause, the Bengal Government effected, in 1821, a transfer of a large portion of this Debt into a 6 per Cent. Loan, the Principal and Interest of which were payable in India alone. Appendix, No. 11.

In 1822, the Government again effected a material alteration in that portion of the Registered Debt the Principal of which was payable by Bills on the Court. The Principal was made irredeemable during the present term. After that period, and upon 15 months previous notice, the Loan may be discharged in Cash, or in Bills upon the Court at 2*s.* 6*d.* the Sicca Rupee, and 12 months date. The Interest was made payable in England, only to such of the Proprietors as should be resident in Europe; and the rate of Remittance was reduced to 2*s.* 1*d.* the Sicca Rupee. The sum of 3,240,463 *l.* was demanded on this occasion in Bills upon the Court, of which, however, 245,653 *l.* was afterwards reinvested. The amount transferred into the New 6 per Cent. Securities was 8,666,615 *l.* Appendix, No. 12. Territorial Series, No. 4.

These several measures have had the effect of converting the Registered Debt of India into what is now generally distinguished by the appellation of the "Remittable" and the "Non-remittable" Debt.

The Remittable Debt now solely consists of the Loan of 1822.

In respect to the Non-remittable Debt: In 1823, the Interest upon a large portion of the 6 per Cent. Debt, which in 1821 was deprived of the optional remittance of its Interest, was reduced to 5 per cent. Of the Loan of 1821, 10,638,000 *l.* was converted into New 5 per Cent. Debt, and the remainder, above 4,640,000 *l.*, was paid off in Cash. The Creditors resident in Europe were allowed, during the pleasure of the Court of Directors, the option of receiving their Interest by Bills on the Home Treasury, at the exchange of 2*s.* 1*d.* the rupee. Evidence before Lords, 1830, pages 13 & 27. Evidence before the Lords, 1830, pages 27 & 28.

In September 1824, a 4 per cent. Non-remittable Loan was opened; but in May 1825, a Loan at 5 per cent. Interest was opened, to which the Proprietors of the 4 per cent. Loan were allowed to transfer their Paper, on condition of an equal amount being subscribed in Cash; and nearly the whole of the 4 per cent. Debt was so transferred. In July 1828 a new 4 per cent. Non-remittable Loan was opened; but a small sum only was subscribed to it. Appendix, Nos. 13 & 14. Appendix, No. 15.

The Remittable Loan Paper has borne a premium in the India market, varying from 23 to 40 per cent. By the last advices it was 38 per cent. The Non-remittable Loan Paper has usually varied from a few rupees above to a few below par. It has latterly been at a premium varying, according to the order in which the securities might be discharged, from 6 to 1 ¼ per cent.

Importance

* Bills on London, at six Months sight, per Sicca Rupee:

1813, at 2/6 and 2/7.	1818, at 2/7 ½.	1822, at 1/11 ½.	1826, at 1/11.
1814, at 2/7 and 2/9.	1819, at 2/6.	1823, at 1/10 ½.	1827, at 1/10 ½.
1815, at 2/8.	1820, at 2/3.	1824, at 1/11.	1828, at 1/10 ½.
1816, at 2/7.	1821, at 2/0.	1825, at 2/0.	1829, at 1/10 ½.
1817, at 2/6 ½.			

† Paid by the Court on account of Bills for Interest of India Debt in - - -

1819–20	£. 355,514
1820–21	678,988
1821–22	1,562,522
1822–23	1,419,587
1823–24	620,132
1828–29	640,570

Papers of February 1830, No. 21.

Appendix, No. 16.

Importance has been attached, on various grounds, and especially with regard to the demand for interest in England, to the proportion in which the Debt of India is held by Natives. From a Report of the Accountant-General of Bengal, dated 23d May 1831, it would seem, that of the Registered Debt of India, amounting at that time to 30,774,092 *l.*, a sum of 7,860,102 *l.* was held by Natives, and 22,913,990 *l.* by Europeans.

Papers of February 1830, No. 4.

In the earlier years of the period since 1814, a large increase of the India Debt at Interest was incurred. This was occasioned chiefly by the extensive Military operations which were directed against the Nepaulese, the Pindarrees, and the Mahratta States. After the cessation of these hostilities, reductions were made in the Debt for several successive years.

Increase of Debt at Interest	£. 6,799,522
Ditto - Floating Debt	- 2,141,181
	£. 8,940,703

The total augmentation of Debt in the six years, from 1814–15 to 1819–20, amounted to 8,940,703 *l.*

Papers of February 1830, No. 1, (A).

In the year 1816, a sum of 1,109,975 *l.* which had been procured from the Nabob of Oude in the preceding year, on Loan at 6 per cent. interest, was commuted for a portion of the Territory acquired from the Nepaul State.

Papers of Feb. 1830, No. 4, and continuations and Lords' Paper, No. 50, of 1832.

Reduction of Debt at Interest	£. 7,333,486
Augmentation of Floating Debt	2,039,129
	£. 5,294,357

The net reduction of Debt which was effected in the years 1820–21 to 1823–24, amounted to 5,294,357 *l.*

Increase of Debt at Interest	£. 13,137,879
Decrease of Floating Debt	- 130,056
	£. 13,007,823

The large and unprecedented Expenditure which was incurred in the prosecution of the War with the Burman Empire, and the reduction of the Fortress of Bhurtpore, occasioned a rapid increase in the Registered Debt of Bengal from the year 1824–25 to 1827–28. In this period, the net increase of Debt was 13,007,823 *l.*

Decrease of Registered Debt	- £. 278,422
Increase of Floating Debt	- 499,117
	£. 220,695

In the subsequent year, 1828–29, the net increase of Debt was 220,695 *l.*

2d. *Territorial Debts in England.*

	These Debts consisted, on the 1st May 1814, of		
Appendix, No. 17.	Bills of Exchange, drawn on the Court in liquidation of the Principal and Interest of India Debt, unpaid -	£. 1,396,914	£.
	Balance due to the Public on account of Loan of 1812, including Interest - - - - - -	2,294,123	
	Warrants passed the Court, unpaid - - - -	9,000	
	Total Debts in England, 1st May 1814 - - - £.		3,700,037
	On the 1st May 1829, they consisted of		
Appendix, No. 18.	Bills of Exchange, drawn on the Court in liquidation of the Principal and Interest of India Debt, unpaid -	1,152,966	
	Balance due to His Majesty's Government on account of Pay-Office demands, &c. - - - - -	630,605	
	Balance due on account of Territorial Stores provided for consignment to India - - - - -	54,711	
	Unclaimed Prize Money applicable to Lord Clive's Fund, under Act 1st & 2d Geo. 4 - - - - -	68,287	
	Balance due to the Commercial Branch, including Interest,	4,631,906	
	Warrants passed the Court, unpaid - - - -	78,646	
	Total Debts in England, 1st May 1829, subject to considerable adjustment in respect to the Balance due to the Commercial Branch - - - - - - -		6,617,121
	Increase of Territorial Debt at Home in 1829 - £.		2,917,084

5. *Territorial Assets.*

	£.	£.	£.	
The Territorial Assets Abroad consisted,				
On the 1st May 1814, of				
Cash and Bills - - - -	5,802,703			Appendix, No. 17.
Stores, including Salt and Opium -	4,193,514			
Debts, including arrears of Revenue and Balances due from Purchasers of Salt and Opium - - -	2,821,998			
		12,818,215*		
On the 1st May 1829, they consisted of				
Cash and Bills - - - -	7,367,296			Appendix, No. 18.
Advances made in England to several Public Institutions, to be repaid in India - - - - -	87,429			
Stores, including Salt and Opium -	6,922,217			
Debts, including arrears of Revenue and Balances due from Purchasers of Salt and Opium - - -	8,748,064			
		23,125,006		
Increase in Territorial Assets Abroad in 1829 - - £.			10,306,791	
The Territorial Assets at Home consisted,				
On the 1st May 1814, of				
Balance due from His Majesty's Government on account of Expeditions, &c. - - - - -	3,178,215			Appendix, No. 17.
Stores consigned to Prince of Wales Island - - - - -	31,244			
Treasure from Madras - - -	280,000			
Dead Stock in India - - -	400,000			
		3,889,459		
On the 1st May 1829, they consisted of				
Cash in hands of Officers at the India House - - - - -	3,670			Appendix, No. 18.
Stores for consignment, &c. to India	473,556			
Advances to Individuals in India, to be repaid in England - - -	26,149			
Balance due from His Majesty's Government for Supplies furnished in India and at the Cape of Good Hope	98,432			
Carnatic Stock belonging to the Company - - - - - -	34,037			
Value of College at Haileybury, and of Seminary at Addiscombe - -	177,220			
Dead Stock in India - - -	400,000			
		1,213,064		
Decrease in Territorial Assets at Home in 1829 - £.			2,676,395	
Net Improvement in Territorial Assets Abroad and at Home in 1829 - - - - - - £.			7,630,396	

6. *Result*

		£.
* Amount of Assets in 1814 - - - - - - - - -		15,212,135
Deduct, Old Balance claimed of Government, written off	£. 960,000	
Balance due from Nabob of Arcot and Rajah of Tanjore, previous to the acquisition of their Territory, written off	1,433,920	
		2,393,920
	£.	12,818,215

6. *Result of Territorial Debts and Assets.*

	£.	£.
The Increase of Debt in India in 1829, as compared with 1814, has already been shown to amount to -	16,335,754	
And the Increase of Debt at Home, in the same period, but subject to considerable adjustment as above stated, to - - - - - - - - -	2,917,084	
Making the Total Increase of Debt in 1829 - - £.		19,252,838
The Increase of Assets in India in 1829, as compared with 1814, is shown to have amounted to - -	10,306,791	
And the Decrease of Assets at Home, in the same period, to - - - - - - - - -	2,676,395	
Leaving the Net Increase of Assets in 1829 at - - £.		7,630,396
The Balance of the Territorial Branch therefore is more unfavourable in 1829, in this view, by - - -		11,622,442
And if to that Amount is added the sum of 4,923,021 *l.*, which was directly applied during the period to the liquidation of India Debt from Surplus Commercial Profits, and without which aid the Balance of the Territorial Branch would have been, to that extent, more unfavourable - - - - - - - - -		4,923,021
The Deterioration would amount to - - - £.		16,545,463

Appx. Nos. 17 & 18.

It may be proper here to refer to the valuation of what is termed the Company's Dead Stock in India, an estimate of which is usually added to the Accounts periodically prepared of their "Stock per Computation." These Estimates embrace a head of Buildings and Fortifications, and another of Plate, Household Furniture, Plantations, Vessels, Stores, &c. which last includes Guns on the Ramparts, Arms, and other articles of Military Service. The Amounts inserted under each head are very large, but as the greater part represent rather the Sums expended upon the Articles than their actual value, which expenditure has been already for the most part charged upon the Revenues, it may be sufficient in this place to notice, that Property of the above description exists in India, belonging chiefly to the Territorial, and partly to the Commercial Branch, which is not included in the "Assets," the computed value of which has just been shown.

3d Report (1811), Appx. No. 25.

Papers of February 1830. Nos. 18 & 19.

II.—The Connexion of the Territorial Finances with the Commerce of the East India Company.

The Finances of India have derived advantage from their existing connexion with the Commerce of the Company, 1st, Through the direct application of Surplus Commercial Profit; 2d, By the Rates of Exchange at which the Board of Control decided that the Territorial Advances from Commerce in England should be repaid to Commerce in India; and, 3dly, In consequence, as it is alleged, of the Remittances from India, annually required for the payment of those Territorial Charges which are defrayed in England, having been made through the Company's Commerce.

1. *Application of Surplus Commercial Profit.*

Any amount of Profit which may remain after the Dividends have been paid constitutes that Surplus Commercial Profit which is applicable by Law to the discharge of India Debt or of Home Bond Debt.

53 Geo. 3, c. 155, s. 58.

The whole amount of Surplus Commercial Profit which has been realized, from the 1st May 1814 to the 1st May 1831, is 8,135,567 *l.* A statement is added in the margin showing the amount for each year.

Appendix, No. 26.

1814–15	1,267,658
1815–16	477,643
1816–17	413,786
1817–18	1,008,675
1818–19	1,287,170
1819–20	243,553
1820–21	522,855
1821–22	959,058
1822–23	229,579
1823–24	329,151
1824–25	720,097
1825–26	342,448
1826–27	132,274
1827–28	134,447
1828–29	22,261
1829–30	3,596
1830–31	41,316
	£. 8,135,567

The Court claim the right, under the 57th section of the Act, to propose the appropriation of Surplus Profits only to such extent, and at such times, as may appear to them consistent with the interests of the concerns committed to their superintendence. They have usually retained a considerable Balance unappropriated, in order, as they have stated, to make provision against unforeseen losses in subsequent years, and in consequence of their being so much in advance to the Territorial Branch, by payments in England on that account. The amount remaining unappropriated at the end of the year 1828–29 was, according to the principle of calculation adopted by the Court, * 2,724,013 *l.*

The following Table shows the manner in which the Appropriations for each year have been made:

Appx. No. 11 of No. 19.

	HOME BOND DEBT.	INDIA DEBT: Payment of Bills of Exchange for Principal of Debt.	INDIA DEBT: Consignment of Bullion to India, in aid of Sinking Fund.	INDIA DEBT: Sum directed by the Financial Letter to Bengal, June 1821, to be advanced to the Sinking Fund.	TOTAL.
	£.	£.	£.	£.	£.
1814–15	196,200	329,704	- -	- - -	525,904
1815–16	136,300	318,382	- -	- - -	454,682
1816–17	- -	477	- -	- - -	477
1817–18	12	200	- -	- - -	212
1818–19	- -	98	1,000,537	- - -	1,000,635
1819–20	- -	- -	166,302	- - -	166,302
1820–21	- -	6,285	- -	- - -	6,285
1821–22	- -	10,576	- -	1,500,000	1,510,576
1822–23	1,100	25,500	- -	- - -	26,600
1823–24	75	1,396,842	- -	- - -	1,396,917
1824–25	—	—	—	—	—
1825–26	712	- -	- -	- - -	712
1826–27	- -	3,950	- -	- - -	3,950
1827–28	- -	82,103	- -	- - -	82,103
1828–29	- -	82,065	- -	- - -	82,065
1829–30	- -	75,778	- -	- - -	75,778
1830–31	—	—	—	—	—
£.	334,399	2,331,960	1,166,839	1,500,000	5,333,198

* Commercial Surplus Profits in excess of Payments, *vide* No. 3 of Appx. 3 (in which the Amount in 1827–28 and 1828–29, shown above, has been adjusted) £. 2,764,810
Deduct, Loss on Sunn Hemp, provided for the Public service, D° No. 4 to D° 40,797
£. 2,724,013

2. *The Board's Rates of Exchange.*

Correspondence between the Board and the Court, Appx. No. 20.

At the period of the commencement of the Company's present term, the following Rates of Exchange had long been generally used in the conversion of Indian into Sterling Money, in the Accounts laid by them before Parliament, as well as in other of their Statements; viz.

	s.	*d.*
Bengal Sicca Rupee (16 per cent. better than the Current Rupee at 2 *s.*) - - - -	2.	3.84
Madras Rupee (3 ½ Rupees to the Pagoda, at 8*s.*)	2.	3 $\frac{3}{7}$.
Bombay Rupee - - - - - -	2.	3.

Appendix, No. 1.

Appendix, No. 20. 5749 of 1830.

These rates were at that period appointed by the Board of Control to be used in the separated Accounts between the Territorial and Commercial Departments. The use of them has been repeatedly objected to by the Court of Directors, on the ground that, as they were higher than those which result from a comparison of the metallic value of the respective currencies of India and England, and higher of late years than those actually current, they give not only a false view of the Revenues of India, but a view equally false of the state and out-turn of the Company's Commerce.

It is at the same time admitted by the Company, that to whatever extent the surplus of their Commercial Profits is applicable to Territorial purposes, the Territory might, if the Rates of Exchange at present in use were lowered, obtain, through that medium, the benefit which it now derives through the medium of the Rates of Exchange.

The Board of Commissioners for the Affairs of India have, however, on the grounds of the fluctuating price of Silver in this Country, of the convenience of calculation, and of long-established usage, and in consideration likewise of the favourable rate at which that portion of remittance effected through the China Trade has been made, required an adherence to the Rates originally prescribed.

While the British Currency was depreciated, these Rates, as compared with the Mercantile Rates, as well with respect to the remittances direct from India as those through China, were favourable to the Commercial Branch; but since the restoration of Cash Payments, the value of the Shilling has increased, the Exchange with India has altered more than one-fourth, and they are now, in so far as respects the remittances direct from India, losing Rates to the Commercial Branch.

Appendix to Commons' First Report of 1830, p. 111.

The advantage derived by the Territory from the use of these Rates, to the close of the official year 1828–29, according to the computation of the Company's Accountant General, amounts to 5,154,135*l.*, exclusive of Interest, which he calculates at 941,880*l.*; together, 6,096,015*l.*

These calculations proceed upon the supposition that no part of the Funds issued in India in repayment of the Advances in England was remitted through China, but that the whole was liquidated by bills of exchange drawn in London upon India at 60 days sight, at the rate of exchange prevailing in London, augmented by the addition of six months' interest. But a calculation has been laid before this Committee, showing that, if the Indian rates of exchange, deducting six months interest, were applied to these calculations, the result would be 1.481 *d.* the rupee less than that of the Accountant General, or 1,646,712*l.*; and that, as the interest would be diminished in a corresponding proportion, the indirect advantage to the Territory, in this view, would be reduced from 6,096,015*l.*, as estimated by the Accountant General, to 4,148,632*l.*

Appendix, No. 2.

3. *Remittance of Territorial Funds.*

It has been seen that, for the amount of those Territorial Charges which are defrayed in this Country, the Company, in its Commercial capacity, is entitled to a Credit on the Treasuries of India, and Remittances are made at the time, and in the mode, prescribed by instructions from England.

The Territorial Charges, for which Remittances must be annually made from India to England, are stated to have amounted, on the average, to 3,000,000 *l.* These Remittances are effected principally by payments to the Commercial Branch, for the purpose of investment in Goods in India or China, for exportation to Europe. It appears that the whole of the Advances made in India for the purchase of Investments for Europe, from 1814–15 to 1826–27 inclusive, amounted to 30,545,069 *l.*, of which 24,338,050 *l.* is computed to have been issued in repayment of Territorial Charges defrayed in England, and 6,207,019 *l.* to have been issued from Commercial Funds in India. The Sums issued from the Commercial Funds being considered as applied entirely to the purchase of part of the Indian Investments, the Payments from the Territorial Funds are supposed to have been distributed as follows: 13,862,909 *l.* applied to the purchase of Indian Investments, and 10,475,141 *l.* to Investments in China. The amount of the Remittances annually made from the Territorial Funds, through the medium of the India and the China Trade, has much increased in the period subsequent to 1821–22.

Evidence before Lords, 1830, p. 9.

See Account, No. 13, of Finance Papers of Feb. 1830.

5723–4, of 1830.

—	India Trade.	China Trade.	TOTAL.
	£.	£.	£.
Average Annual Investment from Territorial Funds, 1814–15 to 1821–22	879,726	667,416	1,547,142
D°, 1822–3 to 1826–7	1,365,020	1,027,162	2,392,182

The Sum which it will be necessary to remit to England in 1834 is estimated at 2,730,000 *l.*; of which 250,000 *l.* is the computed Amount of Bills for Interest of India Debt, payable only during the pleasure of the Home Authorities. The total demand, exclusive of that Sum, would be 2,480,000 *l.*

Territorial Charges -	£. 1,730,000*
Interest on Debt and other demands -	1,000,000†
	£. 2,730,000

In reference to the means of effecting this Annual Remittance, questions have been raised as to the probable consequences of discontinuing the present union of Trade and Government.

It is alleged, on the one hand, that formerly, and upon an average for the whole period since 1814, the Company have remitted through their Trade more advantageously than if they had resorted to Private Bills; that the price of such Bills might be raised by combination on the part of the Merchants; that Bullion Remittances would create inconvenience and pecuniary distress; that to take security upon Cargoes would be attended with expense, and that the Government would require a Mercantile Agency; that the capacity of India to yield profitable Returns for British Commodities is checked by the necessity of making so large a Government Remittance, irrespective of the ordinary course of Trade; that the Territory would be subjected to considerable loss in accomplishing that Remittance; and that a peculiar importance attaches to the command of the China Trade, as the channel through which nearly half the Remittances to England have been effected.

Evidence before Lords, 1830, pp. 12, 329; Coms. 4338, 4892, 4895, 4897 to 4904, of 1830; 1405 to 1412, of 1832.

On the other hand, opinions have been confidently expressed, that no material difficulty would exist in making the Remittances in question independently of the Company's Trade; that three modes of effecting that object would then be available: viz. 1st. the Remittance of Bullion; 2dly,

Evidence before Lords, 1830, p. 327. 3490 to 3507, of 22 March 1830; 4841, 4849 to 485., of 1830;

* *See* Appendix, B. 2. to No. 23.

† *See* Appendix to Minutes of Evidence, 1830–31, p. 173.

1850 to 1852, 2212 to 2231, 2347 to 2350, 2364 to 2408, of 1830–31; 2855 to 2860, of 1831; 233 to 301, 306 to 309, 1282 to 1447, 1798 to 1837, 1869 to 1877, 1941 to 1943, 1950 to 1955, 1991 to 1994, 2488 to 2498, of 1832. Commercial Appendix, No. 4.

2dly, the Purchase of Bills on England from Merchants in India at the Bullion price, (1*s.* 11 ½*d.* to 2*s.* per Sicca Rupee*), accompanied by a security on their Bills of Lading, and, if necessary, by depositing the Goods with the Government until the Bills are paid; and, 3dly, The sale to Merchants in England of Bills on the Indian Treasuries:—That the Imports from China as well as India (about five millions and a half sterling), furnishing the means of making the Remittances, no evil effect is to be apprehended from combination among the Merchants to raise the price of Bills, as the Government might resort to the alternative of remitting Bullion whenever Bills were not procurable at the Bullion rate; and that, if the exportation of Bullion proceeded to an inconvenient extent, a re-importation would follow, and the evil would thus produce its own remedy:—That the necessity of realizing in England a large amount for the use of the Territory has not prevented the growth of a profitable Export Trade from this country to India; and that such an effect is not to be anticipated, the resources of India being sufficient to furnish the means of exchange for European productions, in addition to the amount of Exportation required for Political purposes.

4. *Account between the Territorial and Commercial Branches.*

The state of the Account between the two Branches has, from the importance which has been assigned to it, engaged much of the attention of this Committee, as well as of the previous Committees of Inquiry. To whatever extent the whole of the Property at present vested in the East India Company, Commercial as well as Territorial, may be considered in strict law responsible for all their outstanding obligations in India and in England, yet, in the event of the cessation of their Territorial Administration, it appears probable that they would claim, in their Commercial capacity, to be relieved from a large proportion of those obligations, and at the same time to retain a large amount of Property.

Statements connected with this Account, prepared by the Company's Officers, have been from time to time laid before the Committees engaged in the present Inquiry.

5671 to 5673, of 1830; 2862 to 2905, 2917 to 2956, 2968, 4432 to 4492, 4526 to 4533, 4796 to 4822, 4855 to 4912, of 1831.

Much conflicting Evidence was adduced, before the Committee of 1830, upon the subject of the real or supposed advantage which, previously to the year 1794, one branch of the Company's Affairs obtained at the expense of the other. On one hand, it was contended that, during the period in question, Commerce derived considerable benefit at the expense of Territory; on the other, that Territory derived considerable benefit at the expense of Commerce.

5671 to 5675, of 1830; 2906 to 2916, 2921 to 2956, 2958 to 2970, 4493 to 4533, 4796 to 4801, 4823 to 4836. 4900. 4913 to 4938, 4945 to 4949, of 1831. Evidence before Lords, 1830, pp. 12 and 328. Appendix, No. 25.

Evidence and opinions not less conflicting have been offered as to the state of the Account between the two Branches during the Company's last term. Statements have been drawn out by different parties, in opposition to those of the Company, with a view to the determination of the question, which, it has been contended, differ each from the others, as well in point of principle as in their details and results In the Report† which has recently been laid before Your Committee, these controversies having been reviewed, and the statements made of the Accounts having been compared with the views contained in the Third Report of the Committee of the House of Commons of 1810–12, it is contended that those Statements are insufficient for the objects which the framers of them had in view.

Your Committee will not attempt to draw any conclusion from these conflicting statements and opinions. On which side the evidence preponderates,

* *Vide* 1284 of 1832.

† Appendix, No. 2.

ponderates, or whether it rests upon grounds too remote and uncertain to be now applied to any practical purpose, and whether, therefore, any future separation of interests between the two Branches must be determined by other considerations than those upon which these different Statements have proceeded, Your Committee feel that it does not rest with them to determine; and that they shall best discharge their duty by merely calling the attention of the House to the view which is taken of these controversies in the Report to which they have already referred.

The separation of the Accounts between the two Branches during the present Term, agreeably to the provisions of the Act of 1813, was effected, as has been already shown, in conformity with a plan prepared by the Court of Directors, and approved by the Board of Commissioners, in the year 1814. The separation, as prescribed by the Act, was understood to apply only prospectively, and the plan of Accounts was framed in that view. It regulated the mode of stating the transactions subsequently to the 30th April 1814; but it did not embrace the apportionment of the Property of various kinds, and of the Debts, existing at that date, which could only be determined by a reference to the specific character of the financial transactions of a previous period.

53 Geo. 3, c. 155, s. 64.

Appx. No. 1.

With a view to commence the separate Accounts of the two Branches, the Court of Directors ordered a division to be made of the Debts and Property, upon the principle, that the India Register Debt, which had been declared by Parliament in 1793 to be Territorial, but had largely increased since that period, was still entirely Territorial; that the Indian Assets were of similar character; and a few heads of small amount only, both of Debt and Asset, classed in the Indian books as "Commercial," were carried to the Commercial Account. As to the Property at Home, the whole of it, including the Cash in the Home Treasury, and the Property afloat (with a few exceptions) being found in a Commercial form, or embarked in the Company's Trade, was directed to be carried to the credit of the Commercial Branch.

33 Geo. 3, c. 52, s. 108.

The Debts existing at Home were also debited to that Branch, with the exception of the Home Bond Debt, which it has been usual to consider of doubtful character, and which was not carried to the account of either Branch.

The exceptions* to the apportionment of the Home Property above described were, that Bills running on the Court for Principal and Interest of India Debt, the Loan of 1812, raised for the discharge of similar Bills, and a sum in Treasure, on its passage from India (in the Stirling Castle) which was afterwards applied to the same purpose, together with the Debts and Credits outstanding between His Majesty's Government and the Company, and the article of Political Stores, were carried to the Account of the Territorial Branch.

The Stock thus divided was carried to account in the Stock Accounts in India, and in the Books at Home, and appears in the statements of Stock per Computation occasionally presented to Parliament. The current transactions between the two Branches, arranged according to the plan of 1814, are recorded in two Accounts also before Parliament (numbered 1 and 2); the first showing, on one side, the Payments* made in England for Territorial purposes, under the 56th Section of the Act of 53 Geo. 3, c. 155; and on the other, the Repayments made by the Territorial Branch in India in issues for Commercial Investment: the second Account

Papers of February 1830, and their continuation in 1831 and 1832. Commercial Series, No. 7.

* These Payments are enumerated in the Appendix to the Lords' Report of 1830, No. 1, A.

Account showing, on one side, the Bills of Exchange paid for Interest of India Debt, noticed in the 55th and 58th Sections of the Act, as also those for Principal of Debt not discharged out of Surplus Profits; and on the other side, the Funds remitted from India for the Liquidation of such Bills, whether in Bullion on Territorial Account, or through Transactions with His Majesty's Government, or by the purchase of Bills from Private Merchants.

App. 3 & 4 to No. 2. Correspondence between the Board and the Court, Appendix, No. 21.

According to the view taken by the Court, the Balance of the first of these Accounts, on the 30th April 1829, was 1,543,619 *l.* in favour of the Territorial Branch; and the Balance of the second, or that applicable to Bills of Exchange, 4,580,197 *l.* in favour of the Commercial Branch. The difference between the two constitutes a Net Balance of 3,036,578 *l.* due to the Commercial Branch.

5. *Home Bond Debt.*

This Debt is composed of Securities issued by the Company under their Common Seal, upon which they have from time to time been empowered by Act of Parliament to borrow Money to a limited extent. The Bonds cannot be issued for a shorter period than six months; but the Company are at liberty to discharge them at any time, after giving a previous notice of that extent in the London Gazette. The holders of the Bonds also enjoy a similar privilege, and can demand payment after giving a notice, for the like period, in writing to the Accountant-General at the India House. The first Legislative Enactment empowering the Company to raise Money upon their Bond placed no limitation upon the amount to which they might borrow; a subsequent Act authorized an increase of 1,500,000 *l.* It was afterwards permitted to be increased to 5,000,000 *l.*; and again, by a more recent Act, to 6,000,000 *l.* In 1773 it was required to be reduced to 1,500,000 *l.*; and in 1793, upon the Company being permitted to increase their Capital Stock, it was again required to be reduced to that amount, after which, by consent of the Board, it might be increased in the sum of 500,000 *l.* This was the first Legislative provision giving the Board authority to interfere with regard to the Bond Debt. In 1794 it was allowed to be increased to 3,000,000 *l.* In 1807, in consequence of the Company not having availed themselves of the permission granted them in 1797 to increase their Capital Stock, permission was given to augment the Bond Debt to 5,000,000 *l.*; and in 1811, in order to meet the Bills drawn on the Home Treasury from India on account of Territorial Demands from India, it was authorized, with the consent of the Board, to be increased to 7,000,000 *l.*, beyond which amount it cannot be augmented. On this occasion also, legal effect was given to the transfer of the property in the Bonds from one person to another. The limit to which the Bond Debt is allowed to be reduced is 3,000,000 *l.*

9 & 10 Will. 3.
6 Anne, c. 17.
7 Geo. 1. c. 5.
17 Geo. 2. c. 17.
13 Geo. 3. c. 64.
33 Geo. 3. c. 47.
34 Geo. 3. c. 41.
47 Geo. 3. c. 41.
37 Geo. 3. c. 31.
53 Geo. 3.

In 1750, the Bond Debt amounted to 4,065,573 *l.*; in 1751, to 1,652,359 *l.*; in 1794, to 2,179,467 *l.*; in 1796, to 1,519,592; from which time it did not materially vary till 1805, when it was increased to 2,412,092. In 1808 it was further augmented to 4,220,792 *l.*; in 1812 it increased to 6,581,317 *l.*; in 1814 it was reduced to 4,501,892 *l.*; in 1815, to 3,979,392 *l.*; and in 1829 it amounted to 3,795,892 *l.*.

The rate of Interest paid on the Bonds from 1773 to 1783 varied from three to four-and-a-half per cent. From 1783 to 1787 it was five per cent. In the latter year it was reduced to four per cent.; but in 1796 it was again increased to five per cent.; and from that year to 1818 it varied

varied from five to * six per cent. From 1818 to 1830 it varied from four to three per cent.; and in 1831 it was reduced to two-and-a-half per cent., which is the rate it now bears.

The sum of 334,399 *l.* of Bond Debt which has been shown to have been discharged, is the amount paid off, and which it was considered, under legal advice, could alone be counted as discharged from Surplus Profits, agreeably to the 57th section of the Act of 1813. Adding the amount of Bonds paid in on Sales, an actual or virtual reduction of the Bond Debt during the period was effected to the extent of 805,999 *l.*

Appendix, No. 19, p. 271.

Correspondence between the Board and the Court, Appendix, No. 19: 773 to 777, of 1832.

6. *Prospective Estimate.*

There appear to be three modes of computing the Prospective Condition of the Finances.

I. A Prospective Estimate of the whole state of the Finances of India at the close of the present term, accompanied with Remarks and Explanations on the part of the Court of Directors, has been laid before Your Committee. This Estimate is founded upon the Accounts of Revenue and Charge of 1829-30, adjusted, in reference to future years, according to the latest advices received in March 1832. It takes into account, for the future, only such particular reductions of Charge as are specifically directed to be carried into effect. It is framed with reference to two different events: the continuance of the present system as a whole: and the continuance of the Territorial Administration, the Company relinquishing the Trade, or the cessation of that Administration.

Appendix, No. 22.

In the first case, the Court estimate that a deficiency of Revenue to defray all Charges at Home and Abroad will remain, amounting to 453,823 *l.* This is calculated on the supposition that the Territory will continue to receive the advantage of the Board's Rates of Exchange.

In the second case, it is computed that, in consequence of the Territory having to make its Remittances unaided by the Trade, and at the Mercantile Rates, instead of at the Board's Rates, the deficiency will amount to 813,209 *l.*

A computation has also been made of the probable effect, on the result of the foregoing Estimate, of the liquidation of Claims the amount of which is uncertain or under discussion. These Claims are, 1st. A dormant Claim to a Balance of Expenditure on account of the Wars which preceded the acquisition of the Dewannee, amounting to 3,616,113 *l.*, not including Interest. 2d. A Claim to have the Bond Debt, amounting to about 3,600,000 *l.*, considered as a Territorial Charge; and 3d. Certain rights of property abroad, the value of which is not computed in money. Supposing the two first Claims to be conceded, the Interest upon the Principal of the Bond Debt, at the present rate of 2½ per cent., and upon the amount of the first Claim, at 5 per cent., would form a further annual charge upon the Territory of 270,805 *l.*

By an Estimate, signed by the Accountant of the India Board, an improvement is shown upon the Court's Estimate, by which the deficiency is reduced, in the first case, from 453,823 *l.* to 123,253 *l.*; and in the second, from 813,209 *l.* to 560,924 *l.*

Appendix, No. 23.

It has been seen that a considerable part of the augmented deficiency in the second case arises from a difference in the Rates of Exchange. In the Estimates

* Under the 46 Geo. 3, the Interest was allowed to be the same as Exchequer Bills, the Holder paying the Property Tax. Afterwards the Company paid the Property Tax for the Holder in addition to allowing 5 per cent. Interest.

Estimates prepared at the India House and at the India Board, the Remittance to this Country is computed at an exchange of 1 *s.* 9.247 *d**. But opinions have been confidently expressed, that the necessary Amount of Remittance could be effected from India at 1 *s.* 11 *d.* Should this opinion prove to be well-founded, the deficiency, in the event of a separation of Trade and Government, estimated upon the principles of the Court of Directors, as adjusted by the Accountant of the India Board, would amount only to 407,616 *l.*

* Appx. No. 22. 1318 of 1832.

II. The Prospective Estimate may be considered with reference to the reductions which have been recommended by the Indian Civil Finance Committee. If all these reductions were carried into effect, the above deficiency of 407,616 *l.* would, according to the Estimate of that Committee, be reduced to 55,379 *l.* Some, however, of these reductions would involve important alterations of system, and could only be adopted under the authority of the Legislature.

III. It has been seen that, according to the statement of the Accountant General of Bengal, the amount of Charge has not been fully reduced, as prescribed by the Court of Directors, to the standard of 1823–24, and that the amount of reductions which remain to be made, is Rupees 54,93,063, or, at the rate of 1 *s.* 11 *d.* per Sicca Rupee, 526,418 *l.* This amount, being only the result of a general direction, is not taken into account in the Prospective Estimate of the Court, which, it has been already explained, allows only for those particular reductions of Charge which have been specifically ordered. If, however, the Local Governments succeed in carrying into effect the general orders of the Court in 1827, there would then be a surplus of Revenue over Charge amounting to 118,802 *l.*

The results above stated apply to the year 1834. About the year 1836 it is expected that the Fund now annually set apart for the discharge of the Debts of the late Nabobs of the Carnatic will be sufficient for its purpose. By the cessation of the payment on that account, it is estimated that, at the exchange last-mentioned, the Charges will be reduced, and the results improved, to the extent of 102,387 *l.*

As regards the prospect of the Revenue, it may be expected, that those Social and Political Improvements which have been mentioned, as having hitherto contributed to its increase, will continue to operate.

72. 293 to 296. 57 to 67. 303 to 305, of 1832.

On the other hand, the Revenue derived from Opium is said to be endangered by the competition of Opium grown under a system of Free Cultivation in Malwa. And the attention of Your Committee has been called to the uncertainty which has been found to attach to the realization of prospective Estimates of the Indian Revenues, framed upon the scale of former years. Tables, exhibiting the variations of actual Accounts from the sketch and regular Estimates which had been previously formed, have been laid before Your Committee, and are inserted in the Appendix.

697, 698 of 1832. Appendix B. to No. 23.

Commercial Series, No. 3.

The prospect of a continued aid to the Finances from the Commercial Funds of the Company appears to be uncertain. Under the existing system, the Profit upon the India Trade has been converted into an increasing Loss, (observing however the Board's rates in the computation,) and that upon the China Trade has also gradually declined. In the event of a total separation between the two Branches, the Territory would of course cease to derive, either directly or indirectly, any extraordinary advantage from Trade.

It has already been shown that, upon the supposition of the cessation of the Company's Territorial administration, a sum of money is claimed on account of expenses incurred previously to the acquisition of the Dewannee, and

and that a claim is likewise preferred to certain Forts, Towns, Islands, Territories and Rights, obtained by purchase, amicable grant, or negociation, previously to that event. It is likewise alleged, that the Territorial Branch will stand indebted to the Commercial Branch, at the expiration of the present term, in a sum of between four and five millions; and it is urged, that the whole of the Indian Debt, notwithstanding that the Company is bound for it, is a charge on the Indian Territory. On the other hand, the interests of the Territory, and the rights and claims of the Territorial creditors would require to be investigated and considered.

THE COMMERCIAL INQUIRIES of Your Committee have embraced,

I.—The State and Results of the East India Company's Commerce.

II.—The Commerce of India in relation to the General Interests of Trade and Navigation.

I.—THE STATE AND RESULTS OF THE EAST INDIA COMPANY'S COMMERCE.

A STATEMENT of the results of the Company's Commercial operations has been made, which, although not founded upon principles strictly and indisputably accurate, is presumed to be a close approximation to the truth. Appendix, No. 2.

It has been already shown that the nominal Capital of the Company, upon which Dividends are paid, is 6,000,000 *l.* Since the year 1794 there has been no subscription.

The Dividend to the Proprietors upon the nominal Capital is by Law limited to 10 ½ per cent. on the above amount. This rate of Dividend has been regularly paid since the commencement of the present Term. It does not, however, exceed 2*l.* 18 *s.* per cent. on the Capital really employed. 53 Geo. 3, c. 155. Evidence before Lords, p. 12.

The actual amount of the Capital, as computed by the Court on the 1st May 1829, is 21,102,182 *l.* Its component parts are as follows: Commercial Series, No. 2.

		£.
Cash at Home and Abroad, and property in the Public Funds		*2,186,129
Goods and Merchandize at Home and Abroad - -		7,383,931
Property afloat, and Freight advanced thereon - -		3,531,897
Debts due to the Company at Home and Abroad for Goods sold, and Advances for Investment - - - -		2,227,195
Buildings and Dead Stock - - - - - -		1,467,967
East India Annuities - - - - - - -		1,207,560
Due from the Territorial Branch, exclusive of Interest - - - - - - -	£. 3,036,581	
Interest as computed by the Court - -	1,536,078	
Amount expended by the Commerce for Articles not chargeable till shipped -	59,247	
		4,631,906
	£.	22,636,585
Deduct,		
Debts at Home (Bills of Exchange unpaid, Freight, Customs, Proprietors of Private Trade, &c.) -	£. 1,300,226	
Debts in India and China - - - -	234,177	
		1,534,403
	£.	21,102,182

* Cash - £. 1,425,187
Property in Public Funds 760,942
£. 2,186,129

Commercial Series, No. 7.

This amount is exclusive of the Bond Debt.

Commercial Series, Nos. 3 & 4.

The Return to the Capital, which, on the 1st May 1814, was 19,211,984*l.*, was, in the Fifteen Years 1814-15 to 1828-29, *20,488,379 *l.*, including 1,536,078 *l.*, the Interest on the Balance due from the Territorial Branch, which is rather more than Seven per Cent. per annum. Of the sum of 20,488,379 *l.* there has been paid in Dividends 9,450,000 *l.*, and in Interest upon the Bond Debt 2,585,346 *l.*, leaving a Surplus of 8,453,033 *l.*, whereof, it has been already shown, there have been applied in the liquidation of Home Bond Debt 805,999 *l.*, and to Territorial purposes 4,923,021 *l.*

Commercial Series, No. 2.

It appears from the above Table, that, of the Capital, 1,968,502 *l.* is invested in East India Annuities and other Public Funds, and 4,631,906 *l.* is for Principal and Interest due from the Territory. The further sum of 1,294,768 *l.* is the value of the East India House and Warehouses. These several sums make a total of 7,895,176 *l.*, which, deducted from the before-mentioned amount of Capital (21,102,182 *l.*), leaves 13,207,006 *l.* applicable to the conduct of the Company's India and China Trade.

Commercial Series, Statement to No. 3.

—	India Trade.		India and China Trade.
	Average Annual Profit.	Average Annual Loss.	Average Annual Profit.
	£.	£.	£.
1814-15 to 1818-19	364,693	- -	1,525,799
1819-20 to 1823-24	- -	116,678	875,432
1824-25 to 1828-29	- -	303,757	625,910
Average Annual Profit on India and China Trade during the 15 years - - -			1,009,047
Annual Average of all other sources of Profit			356,844

Upon the India Trade there has been, during the above-mentioned period, a loss of 278,707 *l.*; upon the China Trade, a gain of 15,414,414 *l.*

If the Mercantile Rates of Exchange had been used in the Account between the two Branches, it is computed that a larger Profit upon the Trade would have been exhibited.

The Commercial Receipts of the Company are derived from several sources besides their China and India Trade. They receive a profit from the management of Private Trade Goods, from the employment of their own Ships, from Interest on Annuities and on Government Stock, and from Interest on Advances to the Territorial Branch. The Total Profit derived from these sources, during the 15 years ending 1829, was 5,352,673 *l.*

866 of 1832.

873 of ditto.

Since the year 1824-25, the Company have ceased to export Merchandize to India. Their only Exports, since that period, have been Military and Political Stores. Their motives for discontinuing their Export Trade are stated to have been, first, the difficulty of obtaining any articles of Indian Produce or Manufacture that would afford a remittance to London, even at several pence in the Rupee below the par of Exchange; and secondly, the large Balance due from the Territorial to the Commercial Branch.

999 to 1001.
1024-5, of 1832.

The only Articles imported by the Company into England from India are Raw Silk, some Silk Piece-goods, Saltpetre and Indigo. The Indigo is purchased by the Company at Calcutta; the Raw Silk and Saltpetre are prepared in their Factories; and the Silk Piece-goods (Bandannoes) are

* The Amount shown to have been realized, in No. 3 of Commercial Series, is -	£. 20,529,076
Deduct, Amount of Loss, stated in No. 4 of the same Series, to have been sustained in the provision of Sunn Hemp for the Public - - - - - - - -	40,797
£.	20,488,379

are obtained at Cossimbuzar, by Contracts with the Head Weavers, to whom advances are previously made. Sugar was included in the Company's Imports until very lately, but has now been discontinued.

The Company's principal Export from India to China is Cotton from Bengal and Bombay. Their Cotton Factories at Madras have been abolished. The Cotton is purchased at the principal Marts in the interior of India by the Company's Agents. The large Export Trade in Opium to China is exclusively in the hands of the Private Merchants. 1121 to 1125. Com. Rep. 1830, passim.

Their only Import into England from China is Tea. Their Importation of Nankeens was discontinued in 1822, and that of Raw Silk in 1824, both having been attended with a loss. The Home Market is now fully supplied with these Articles by private Importation from Singapore and other places. 975 to 987, of 1832.

The Import Trade of the Company from India to England, being attended with loss, is carried on only as affording the means of remittance. 1059.

Mode of declaring the Dividend.

Statements are annually prepared for the information of the Court of Directors, previously to their taking into consideration the rate of Dividend to be by them recommended to the Court of Proprietors for declaration. For each year since 1814–15, these Statements have been laid before Your Committee. They appear, in the earlier part of the period, to have consisted of Abstract Statements of Profit and Loss upon the Company's Goods sold in the March and September Sales, and of other Profits resulting to the Company in England, together with the ultimate Surplus liable to a Territorial appropriation. Appendix, No. 27.

At a later period, Accounts in greater detail were presented, distinguishing the India from the China Trade, and specifying the prime cost of the Investment, the Freight, the Charges, the Sale Amount, and the net Profit or Loss on all Goods sold by the Company; and showing also the Home Profits and Receipts, and the Net Proceeds of the Commerce in Great Britain, after all Adjustments and after defraying all Charges. 1820–21.

The Interest on the Bonds forms a Charge upon the Commercial Fund, out of which the Dividends are paid. This Fund consists of the Net Commercial Proceeds computed as above. Any ultimate Surplus, after the Dividends are paid, constitutes Surplus Commercial Profit, applicable, by Law, to the discharge of India Debt or of Home Bond Debt. 53 Geo. 3, c. 155, s. 57.

Comparative View of the Commercial Property in 1814 *and* 1829.

Commercial Series, No. 4.

		£.
The Value of the Commercial Property on the 1st May 1814, after providing for all outstanding demands, was - - - -	* £. 19,211,984	
On the 1st May 1829, its value was -	† 21,668,510	
Improvement in 1829 - - - - - - -		2,456,526
In the above Statement the Home Bond Debt is not included, Its amount on 1st May 1814, was -	£. 4,601,892	
on 1st May 1829 - -	3,795,892	
Decrease of Home Bond Debt, which was effected by the application of Surplus Profits - - - -		805,999
The improvement of the Commercial Concern, added to the diminution of the Home Bond Debt, would produce a more favourable Balance by - - - -		3,262,525
Adding to this sum the amount applied from Surplus Commercial Profits to the liquidation of Indian Debt -		4,923,021
The Improvement would amount to - - -		8,185,547
Result of the Two Branches combined:		
The deterioration of the Territorial Property has been shown, (but upon a principle which is liable to considerable adjustment,) after applying the Surplus Commercial Profits to the liquidation of its Debt, to be 11,622,422*l.*, but without that appropriation, it would have been - -		16,545,463
The Net Deficiency or Deterioration of the two Branches combined, between 1814 and 1829, will therefore have been, in the view here taken,		8,359,917

* The Total Value of Property in 1814 is stated, in Account No. 4 of Commercial Series, at - - - - - - - - - - -		£. 19,735,909
Which requires the following adjustments, as showed in the same Account:		
Deduct, Amount of Spices from the Moluccas, the proceeds of which have been allowed to His Majesty's Government - - - - - - - -	£. 234,448	
Amount of Buildings and other Dead Stock in India, written off since 1814 - - - - -	78,625	
Amount of Debts due to the Company on 1st May 1814 - ditto - - - - -	140,538	
Value of Buildings for Territorial purposes, included in 1814, but since separated - - - -	70,314	
		523,925
		£. 19,211,984
† Value of Commercial Property in 1829, as before stated -	£. 21,102,182	
Add, Amount of Dead Stock - - - - - -	566,328	
		£. 21,668,510
Deduct, Surplus Profits unappropriated - - - - - - - -		2,724,013
		£. 18,944,497
Add, Profit estimated on Goods, more in 1814 than in 1829,	£. 291,551	
Deduct, Difference explained in a Memorandum to No. 4 of Commercial Series - - - - - - - -	24,064	
		267,487
		£. 19,211,984

II.—The Commerce of India in relation to the General Interests of Trade and Navigation.

Under this head of Inquiry Your Committee have received much valuable information, although, in consequence of the approaching termination of the Session, it will not be practicable to found upon the Evidence any detailed statement.

The attention of Your Committee has been turned chiefly to those points which do not appear to have been embraced in the inquiries, either of the Committee of the Commons upon the China Trade (1830), or of the previous Committees (1821-2-3) of the Lords and the Commons upon Foreign Trade.

Papers relative to the Commercial affairs of India, addressed, by various Individuals and Commercial Bodies, to the Secretary of the Board of Control, have been laid before Your Committee. They consist of Answers to Queries which had been circulated by that Department, and have reference to the Commercial facilities which have been afforded since the opening of the Trade with India in 1814—the Increase of the Trade—the nature and extent of that Increase—the System pursued by the Company in the conduct of their Commercial Transactions in India—the practical effects of the union of Government with Trade in India—the Commercial System of the Company in England—the operation of the means employed by the Company in order to effect the Remittances required in this Country—the various modes in which such Remittances might be effected—the state of the Exchanges generally, as between India and other Countries—the probable effect of withdrawing the Executive authority from Trade in India—the Commercial Arrangements with Foreign States—the Financial bearings of the present system of Trade—and measures calculated to improve or increase the number of the Exportable Productions of India, or generally to advance the interests of Indian Commerce. The whole of these Answers, consolidated under their respective heads, will be found in the Appendix.

Commercial Appendix, No. 4. *See* also Financial Appendix, No. 38.

Further Returns will be found in the Appendix, illustrative of the state of the Trade between Great Britain, India and China, showing the Value of the Imports and Exports, and distinguishing the Trade of the Company, of other British Subjects, and of Foreigners: And showing the Number of Vessels and Amount of Tonnage annually entered inwards at the Ports of the United Kingdom, from places East of the Cape of Good Hope. Returns also are given, for a series of years, of the Quantities of each Article, Imported into, or Exported from, as well as the Number of Ships entered inwards, and cleared outwards, at Bengal, Madras, and Bombay; and of the Quantities of each Article of Internal Commerce received at the Presidencies, in its transit from, or to, the Interior. Separate Returns have also been obtained, showing, for a series of years, the course and results of the Indian Trade in Bullion.

Evidence has likewise been received as to the means of extending the Trade with Asia; the Navigation by Steam; and the capability of India to produce articles of leading importance in Commerce, such as Cotton, Sugar, Tea, Coffee, Rice, Tobacco, Silk. The difficulty of providing Returns, and the bad quality of the Products of India, appear to be considered the chief Obstacles to an extension of Trade. The chief Remedies which have been suggested by various individuals are, 1. A Reduction of the Duties in England on the Importation of Indian Produce: 2. The

Commercial Appendix, No. 5.

Removal of the Transit Duties in India: 3. A relaxation of the existing Restrictions against Europeans proceeding to India, and residing and holding Lands there: 4. A more efficient Protection to Person and Property in India: 5. Opening the Trade with China: 6. A complete withdrawal from Trade on the part of the Government of India.

Commercial Appendix, No. 4.

Your Committee are unable to enter at present into an examination of these suggestions; but, with reference to the first of them, they have inserted in the Appendix an important Statement, showing the Rates of Duty (Customs and Excise) which have been chargeable in England on all Articles, the produce of the East Indies, since the year 1812, together with those which are chargeable upon like Articles, being the produce of other countries.

Commercial Appendix, Nos. 1 to 3.

A Digest is given in the Appendix of the whole of the Commercial Evidence which has been taken since the Report on the China Trade before the Committees of the Lords and Commons, in 1830, 1830-31, and 1831-1832.

MEMBERS BEFORE WHOM THE FOLLOWING EVIDENCE WAS TAKEN.

Mr. Hyde Villiers.

Mr. Hume.

Mr. Baring.

Mr. Warburton.

Mr. Courtenay.

Mr. James Morrison.

Mr. John Loch.

Mr. Heywood.

Mr. Pusey.

Mr. W. B. Wright.

Lord Viscount Morpeth.

Mr. George Vernon.

LIST OF WITNESSES.

Lunæ, 20° die Februarii 1832:
James Pennington, Esq. - - - p. 1

Jovis, 23° die Februarii 1832:
Holt Mackenzie, Esq. - - - p. 3

Sabbati, 25° die Februarii 1832:
Holt Mackenzie, Esq. - - - p. 18

Martis, 28° die Februarii 1832:
Holt Mackenzie, Esq. - - - p. 33

Sabbati, 3° die Martii 1832:
Holt Mackenzie, Esq. - - - p. 52
William Leach, Esq. - - - p. 61

Jovis, 8° die Martii 1832:
William Leach, Esq. - - - p. 70
William Simons, Esq. - - - p. 73

Lunæ, 12° die Martii 1832:
William Simons, Esq. - - - p. 82

Mercurii, 14° die Martii 1832:
William Simons, Esq. - - - p. 99

Veneris, 16° die Martii 1832:
John Horsley Palmer, Esq. - - p. 106

Sabbati, 17° die Martii 1832:
Thomas Love Peacock, Esq. - - p. 119
William Cabell, Esq. - - - p. 130

Lunæ, 19° die Martii 1832:
William Cabell, Esq. - - - p. 132
Lieutenant J. H. Johnston, R.N. - p. 139

Martis, 20° die Martii 1832:
Lieutenant J. H. Johnston, R.N. - p. 145

Sabbati, 24° die Martii 1832:
Thomas Bracken, Esq. - - - p. 150

Jovis, 29° die Martii 1832:
George G. de H. Larpent, Esq. - p. 161
William Crawford, Esq. - - - p. 170

Lunæ, 16° die Julii 1832:
John Wilkinson, Esq. - - - p. 182
Dr. Bowring - - - - - p. 218

Sabbati, 4° die Augustii 1832:
James Cosmo Melvill, Esq. - - p. 176
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GENERAL STATEMENT of the Revenues and Charges of India (exclusive of the Commercial Charges), showing the Interest paid upon the Debts, with the Result in each Year, from 1809–10 to 1826–27, and as estimated for 1827–28.
(Papers presented by His Majesty's command, February 1830.)

Ditto - - - - - - ditto, 1826–27 and 1827–28, and as estimated for 1828–29.
(Lords' Paper, 1831, No. 37; and Commons' Paper, 1831, No. 206.)

Ditto - - - - - - ditto, 1827–28 and 1828–29, and as estimated for 1829–30.
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Statements of the Revenues and Charges of the several Presidencies and Settlements in India and St. Helena (exclusive of the Commercial Charges), showing the Interest paid upon the Debts and the result of each Year, 1809–10 to 1826–27, and as estimated for 1827–28.
(Papers of February 1830.)

Ditto - - - - - - ditto, 1826–27 and 1827–28, and as estimated for 1828–29.
(Lords' Paper, 37, of 1831; and Commons' Paper, 1831, No. 206.)

Ditto - - - - - - ditto, 1827–28 and 1828–29, and as estimated for 1829–30.
(Lords' Paper, 1832, No. 50.)

An Account of the Total Annual Amount of the Revenues and Charges of the several Presidencies in India, from 1809–10 to 1826–27, with the Estimate of the same for 1827–28; distinguishing as to the Revenues, the Revenues realized in the original Possessions of the Company, from the Subsidies from Native Princes, or collections from Ceded and Conquered Countries; and as to the Charges; the Military Charges, and the Charges for Buildings and Fortifications, from Civil, Revenue, Judicial and Marine Charges; showing also the Net Charge of Bencoolen, Prince of Wales Island, &c.; likewise the Interest paid on the Debts, and the amount of Territorial Charges paid in England - - - - - - - - - - (Papers of February 1830.)

Ditto - - - - - - ditto, 1809–10 to 1827–28, with the Estimate of the same for 1828–29, revised according to more recent adjustments in the Accounts of the Company, particularly with respect to the articles of "Off-Reckonings and Stores," under the Heads of "Territorial Charges" paid in England - (Lords' Paper, 37, of 1831; and Commons' Paper, 1831, No. 206.)

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(Lords' Paper, 1832, No. 50.)

Statements of the Revenues and Charges of the Original Possessions, and of the Ceded and Conquered Countries of the East India Company, 1809–10 to 1826–27, and as estimated for 1827–28.
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Ditto - - - - - - ditto, 1826–27 and 1827–28, and as estimated for 1828–29.
(Lords' Paper, 1831, No. 37; and Commons' Paper, 1831, No. 206.)

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Accounts in Detail of the Revenues and Charges of the Ceded and Conquered Countries, from 1809–10 to 1827–28.
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Ditto - - - - - - ditto, 1828–29 - Commons' Minutes of Evidence, 1830, Appx. p. 166.)

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Explanatory Notes relative to the distinctions of Territory observed in the Account, in which the Revenues and Charges of the Original Possessions of the East India Company are shown separately from those of the Ceded and Conquered Countries - - (Papers of February 1830.)

An Account of the Revenues and Charges of India in 1826–27 and 1827–28, and as estimated for 1828–29; showing the Annual Result after the payment of the Territorial Charges in England
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Ditto - - - - - - ditto, 1827–28 and 1828–29, and as estimated for 1829–30; ditto.
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Amount of the Gross and Net Produce of the Revenues of the three Presidencies, and the Gross and Net Charges defrayed out of those Revenues, 1823–24 to 1827–28, and as estimated for 1828–29 - - - - - - - - - - (Lords' Report, 1830, Appx. p. 517.)

Abstract Statement of the Charges for 1827–28, whether stated as deductions from Revenues, or as Charges appertaining to the Civil and Military Government of India.
(Lords' Report, 1830, Appx. p. 519.)

Estimate of the Amount in which the Charges of India are expected to be diminished in future years, as compared with 1828–29, by the various reductions of Establishments, Military and Civil, which either have been actually effected or are now in progress; with Statements showing the amount of Reduction to be effected at the several Presidencies and Settlements.
(Lords' Report, 1830, Appx. p. 525.)

Estimate of the Territorial Revenues and Charges of India, under their respective heads, whether payable in India or in England, for 1829–30, with a Statement of the grounds upon which the Estimate under each head is formed - (Commons' Minutes of Evidence, 1830–31, Appx. p. 170.)

Prospective Estimate of the state of the Finances of India, including the Home Charges, at the close of the Company's present term, supposing the Remittances to be effected at 1 *s.* 11 *d.* the Sicca Rupee, dated 18 March 1831 - (Commons' Minutes of Evidence, 1830–31. Appx. p. 173.)

Ditto - - - - - ditto, dated 22d July 1831 - (Commons' Report, Oct. 1831, Appx. p. 558.)

Prospective Estimate of the Finances of India; showing the probable result abroad and at home in time of peace, when the reductions of expenditure ordered and in progress are fully carried into effect; the Revenues and Charges drawn from the Indian Accounts of Receipts and Disbursements; the Indian Currencies converted into sterling at the intrinsic or London Mint value of the respective coins, and the produce of Funds remitted to England, calculated at the average out-turn of a remittance in Bullion - - - - - (Lords' Paper, 1832, No. 195.)

Abstracts of the Regular Estimates of the Receipts and Disbursements of the several Presidencies in India, for 1830–31, and of the Sketch Estimates for 1831–32.
(Lords' Paper, 1832, No. 116.

Statement of the Amount of the Civil Charges of Bengal, Madras and Bombay, 1819–20 to 1826–27, and as estimated for 1827–28 and 1828–29, deducting the Charges of a fluctuating nature - - - - - - - - - - (Lords' Report, 1830, Appx. p. 566.)

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An Account of the per-centage at which the several heads of Revenue in India were collected, from 1809–10 to 1827–28.
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An Account of the Arrears of Land Revenue left outstanding annually, at the close of the Official Year, at each of the Presidencies, 1810 to 1828.
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Accounts of Sums written off the Books of the several Presidencies in India respectively as Losses, from 1809–10 to 1826–27 - - - - - - - - (Papers of February 1830.)

Accounts of the Amount of the Bond and other Debts owing by the East India Company at their several Presidencies in India, 1809 to 1827 - - - - (Papers of February 1830.)

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Prospective Estimate of the Territorial Debt of India at the close of the Company's present term, calculating the Sicca Rupee at 1 *s.* 11 *d.* - (Commons' Report, October 1831, Appx. p. 571.)

Computation of the Rate of Interest payable on the Indian Debt, 1809, 1814 and 1828.
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An Abstract Statement of the Claims of the East India Company upon His Majesty's Government, for Supplies furnished and Expenses incurred in India and in England, on various accounts, with Interest calculated thereon to 30 April 1821, (Commons' Report, October 1831, Appx. p. 742.)

Copy of a Minute of the Governor-general of India, dated 30 October 1829, concerning the Indian Financial Estimates for 1829–30.
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Copy Letters from the Court of Directors to the Governments of Bengal and Bombay (Finance Department), dated 12 December 1827, ordering reduction of Expenditure.
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Copies of Letters from the Court of Directors to the Governments of Bengal, Madras and Bombay, (Finance Department), dated respectively the 10th March 1830. Returns of the Civil Establishments of the three Presidencies.
(Lords' Report, 1830, Appx. p. 627, &c.; and Commons' Paper, 179, of 1830.)

Returns of all Civil Offices, and the Establishments connected therewith, under each of the Presidencies of Bengal, Madras and Bombay, on 1 May 1817 and 1827.
(Lords' Paper, 13, of 1830; and Commons' Paper, 633, of 1830.)

Returns of all Offices, Places and Pensions, Civil, Political, Military and Commercial, with the Establishments connected therewith, held under the East India Company within the United Kingdom and Colonies, not included in Return of 1830; with the Salaries, Allowances, &c. on 1 May 1817 and 1827 - - - - (Commons' Report, October 1831, Appx. p. 682.)

An Account of Sums received in India for Sales of Import Goods and Stores, 1809–10 to 1827–28 - - - - - - - - - - - (Papers of February 1830.)

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Accounts of the Commercial Charges not added to the Invoices in India, 1809–10 to 1827–28.
(Papers of February 1830.)

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(Lords' Paper, 38, of 1831; and Commons' Paper, 168, of 1831.)

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Accounts showing the Amount of all Advances made in India for the purposes of Commerce, in so far as regards the purchase of Investments for Europe, from 1809–10 to 1827–28, showing the Amount applied to the purchase of Investment in China, and distinguishing the Amount issued in repayment of Territorial Charges, defrayed in England, from Amount issued from Commercial Funds - - - - - - - - - (Papers of February 1830.)

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Accounts showing the Amount of all Supplies between the several Presidencies and Settlements in India, and the Factory at Canton, 1809–10 to 1827–28 - (Papers of February 1830.)

Ditto - - - - - ditto, and St. Helena, 1822–23 to 1828–29, specifying the particular Supplies under each head for each year - - - - (Lords' Paper, 1830, No. 139.)

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Accounts of the Increase of Dead Stock in India, consisting of Plate, Household Furniture, Stores, &c. between 1809 and 1827, the expense of which is not included in the Charges; distinguishing what was purchased in India from what was supplied by England, and also the Territorial from the Commercial Dead Stock - - - - - - - - (Papers of February 1830.)

Accounts of the Amount of the Assets of the East India Company in India, 1809 to 1827.
(Papers of February 1830.)

Ditto - - - - - ditto, 1828.
(Commons' Paper, 1831, No. 206; and Lords' Paper, 1831, No. 37.)

Ditto - - - - - ditto, 1829 - - - - - (Lords' Paper, 1832, No. 50.)

Abstract Statement of the Result of the Debts and Assets of the East India Company in India, 1809 to 1827 - - - - - - - - - - - (Papers of February 1830.)

Ditto - - - - - ditto, 30 April 1828.
(Lords' Paper, 1831, No. 37; and Commons' Paper, 1831, No. 206.)

Ditto - - - - - ditto, 1829 - - - - - (Lords' Paper, 1832, No. 50.)

An Account of the several kinds of Goods as Assets in hand, unsold in each year, from 1815 to 1829; stating the Quantity and Value of Tea in those years.
(Commons' Report, China Trade, Appx. p. 86.)

Ditto - - - - - ditto, 1830 - (Commons' Minutes of Evidence, 1830–31, Appx. p. 182.)

General Statements showing the Amount of the Proceeds of the Sales of Goods and Merchandize of the East India Company in Great Britain, and of their Commercial and other Receipts, Charges and Payments in Great Britain, 1810–11 to 1828–29; distinguishing the Receipts and Payments in the Territorial from the Receipts and Payments in the Commercial Branch.
(Papers of February 1830.)

Ditto - - - - - ditto, 1829–30 - - - - - ditto.
(Lords' Report of 1830, Appx. p. 616; and Commons' Paper, 1831, No. 206.)

Ditto - - - - - ditto, 1830–31 - - - - - ditto - (Lords' Paper, 1832, No. 50.)

Ditto - - - - - ditto, 1831–32 - - - - - ditto - (Lords' Paper, 1832, No. 153.)

General Statements of the Bond and Simple Contract Debts of the East India Company, the state of Cash remaining in the Treasury, and other Effects appertaining to the Company in Great Britain and Afloat from 1811 to 1829; distinguishing the Debts and Assets in the Territorial from the Debts and Assets in the Commercial Branch. (Papers of February 1830.)

Ditto - - - - - ditto, 1 May 1830 - - - - ditto.
(Lords' Report, 1830, Appx. p. 620; and Commons' Paper, 1831, No. 206.)

Ditto - - - - - ditto, 1 May 1831 - - - - ditto (Lords' Paper, 1832, No. 50.)

Ditto - - - - - ditto, 1 May 1832 - - - - ditto - - (Ditto, 1832, No. 153.)

An Account of Stock, per Computation of the East India Company (exclusive of their Capital Stock), drawn out in respect to England to 1 May 1815, and in respect to India to 1 May 1814 - - - - - - - - - - - - (Papers of February 1830.)

An Account of Stock, per Computation of the East India Company (exclusive of their Capital Stock), drawn out in respect to England to 1 May 1828, and in respect to India to 1 May 1827 - (Ditto.)

An Account of Stock, per Computation of the East India Company (exclusive of their Capital Stock), drawn out in respect to England to 1 May 1829, and in respect to India to 1 May 1828.
(Lords' Paper, 1831, No. 38; and Commons' Paper, 1831, No. 168.)

Ditto - - - - - England to 1 May 1831, and India to 1 May 1830.
(Lords' Paper, 1832, No. 37.)

Nos. 1 & 2.—Statement of the Account between the Territorial and Commercial Branches of the Affairs of the East India Company, from 1814–15 to 1828–29, drawn up upon the principle observed in the Accounts transmitted to the Government of Bengal.
(Lords' Report, 1830, Appx. p. 538, &c.; and Commons' Paper, 1830, No. 499.)

Ditto - - - - - ditto, 1829–30.
(Lords' Paper, 1831, No. 34; and Commons' Paper, 1831, No. 168.)

Ditto - - - - - ditto, 1830–31 - - - - - (Lords' Paper, 1832, No. 54.)

Statement of the particulars of an Item in the Account of the Commercial Branch for 1828–29, entitled "Charges General" - - (Commons' Report, China Trade, 1830, Appx. p. 108.)

Ditto - - - - - ditto for 1829–30 - - - - (Ditto.)
(Commons' Minutes of Evidence, 1830–31, Appx. p. 179.)

Statement showing the manner in which the Balance on the Advances from the Commercial to the Territorial Branch from 1814–15 to 1828–29 is computed by the Accountant-general to amount to £.12,110,198 - - - (Commons' Minutes of Evidence, 1830–31, Appx. p. 110.)

An Estimate of the Account between the Territorial and Commercial Branches of the Company's Affairs, for the period prior to 1 May 1814, framed upon the principles of separation laid down in the Plan of 1814 - - - - (Commons' Report, Oct. 1831, Appx. p. 560.)

Accounts showing the Amount of all Sums paid by the East India Company from their Treasury in England chargeable to the Territories in India, 1810–11 to 1828–29.
(Papers of February 1830.)

Ditto - - - - - ditto, 1829–30.
(Lords' Paper, 1831, No. 38; and Commons' Paper, 1831, No. 168.)

Ditto - - - - - ditto, 1830–31 - - - - (Lords' Paper, 1832, No. 37.)

Copy Protest of the Court of Directors, dated 25 August 1824, against the Decision of the Board of Control not to alter the Rates of Exchange observed in Transactions between the Territorial and Commercial Branches - - - (Commons' Report, China Trade, 1830, Appx. p. 98.

Statements of the Rates of Exchange at which Bills have been drawn from India upon the East India Company, from 1812 to 1829 - - - - - (Papers of February 1830.)

Ditto - - - - - ditto, 1830.
(Lords' Paper, 1831, No. 38; and Commons' Paper, 1831, No. 168.)

Ditto - - - - - ditto, 1831 - - - - - (Lords' Paper, 1832, No. 37.)

Statements of the Rates of Exchange at which Bills have been drawn upon India by the East India Company, from 1812 to 1829 - - - - - (Papers of February 1830.)

Ditto - - - - - ditto, in 1830.
(Lords' Paper, 1831, No. 38; and Commons' Paper, 1831, No. 168.)

Ditto - - - - - ditto, in 1831 - - - - - (Lords' Paper, 1832, No. 37.)

Accounts of all Sums received by the East India Company on Bills of Exchange remitted to them from their several Presidencies and Settlements in India, and from Canton, 1810–11 to 1828–29; distinguishing the Territorial from the Commercial, and showing the Amount drawn on His Majesty's Government - - - - - - - - (Papers of February 1830.)

Ditto - - - - - ditto, 1829–30.
(Lords' Paper, 1831, No. 38; and Commons' Paper, 1831, No. 168.)

Ditto - - - - - ditto, 1830–31 - - - - - (Lords' Paper, 1832, No. 37.)

Accounts, showing the Amount of all Bills of Exchange and Certificates paid by the East India Company, from 1810 to 1829; distinguishing India from China, and such as were for liquidation of Indian Debt, for Interest on Indian Debt, and for General Purposes.
(Papers of February 1830.)

Ditto - - - - ditto, 1829–30 - - - ditto.
(Lords' Paper, 1831, No. 38; and Commons' Paper, 1831, No. 168.)

Ditto - - - - ditto, 1830–31 - - - - - - - (Lords' Paper, 1832, No. 37.)

An Account of the Amount of Payments in England, on account of India, in the three years ending 1830–31, and the manner in which the Remittances have been made, including Specie and Bills, direct and indirect, stating the Prime Cost and Expenses, and the Proceeds of Sale of each such Remittance, and the Average Charge or Rate of Remittances in each of those years of such Proceeds - - - - - (Commons' Report, Oct. 1831, Appx. p. 572.)

An Account, showing the Invoice Amount of all Goods, Stores and Bullion exported by the East India Company to their several Presidencies and Settlements in India respectively, to the Island of St. Helena, and to their Factory at Canton, from 1810–11 to 1828–29; distinguishing the Amount of Goods and Stores, and the Bullion on the Political from the Bullion on the Commercial account - - - - - - - - - (Papers of February 1830.)

Ditto - - - - - ditto, 1829–30.
(Lords' Paper, 1831, No. 38; and Commons' Paper, 1831, No. 168.)

Ditto - - - - - ditto, 1830–31 - - - - - (Lords' Paper, 1832, No. 37.)

An Account of New or Increased Salaries, Establishments or Pensions payable in Great Britain, granted or created in 1829–30 - - - - (Lords' Report, 1830, Appx. p. 622.)

Ditto - - - - - ditto, 1831–32 - - - - - (Lords' Paper, 1832, No. 153.)

Allowances, Compensations, Remunerations and Superannuations granted to the Officers and Servants of the East India Company in 1829–30 - - (Lords' Report, 1830, Appx. p. 624.)

Ditto - - - - - ditto, 1831–32 - - - - - (Lords' Paper, 1832, No. 153.)

Note.—For further Papers recently printed for Parliament, relating to the *Trade*, *see* COMMERCIAL Appendix.

APPENDIX.

II.—*Finance and Accounts—Trade.*

Finance.

II. FINANCE.

Appendix, No. 1.

Appendix, No. 1.

A STATEMENT of the Steps which have been taken, by the Commissioners for the Affairs of *India*, or Directors of the East India Company, for carrying into effect the Separation of the POLITICAL and COMMERCIAL ACCOUNTS of the said Company; according to the 64th Section of the Act 53 Geo. 3, c. 155.

Statement of Steps taken for carrying into effect the Separation of Accounts.

MEASURES were taken by the Court of Directors of the East India Company, immediately after the passing of the Act of the 53d Geo. 3, c. 155, for carrying into effect the provisions contained in the 64th section, relating to the Separation of the Territorial and the Commercial Departments, in the Books of Account, Abroad and in England.

The Act passed on the 21st July 1813; on the 6th September following, the Court of Directors, with the approbation of the Board of Commissioners for the Affairs of India, forwarded to the Supreme Government in India, particular Orders for carrying the Separation into effect, together with the Outline of a Plan for keeping their several Books and Accounts. Copies of these Orders, and the Enclosure, are hereunto annexed. (A.) and (a 1.)

A Plan of Arrangement for keeping the Books of Account in England, being submitted by the Court of Directors to the Board of Commissioners for the Affairs of India, early in the year 1814, was, with certain amendments, finally approved by the Board on the 30th June in that year. Copy of this Plan is annexed. (B.)

The Books of Account, in India and in England, are now kept in conformity to the Plans sanctioned and approved by the Board of Commissioners, for each respectively. The year 1814–15 was the first year of their operation. The Accounts of that year, kept in England, were presented to Parliament on the 24th May 1815, in conformity to the directions of the Act of the 54th Geo. 3, c. 36, s. 55.

The Indian Accounts for the year 1814–15 will be presented within the prescribed period, in the present year, if Documents shall be received in sufficient time from the several Presidencies in India.

India Board Office,
8th May 1816.

Tho. Per. Courtenay.

(A.)

EXTRACT of a Letter from the Court of Directors of the East India Company, to the Governor-general in Council in *Bengal*, in the Public Department, dated 6th September 1813; with the OUTLINE of the Plan for keeping the Books of Account in *India*. (a 1.)

Para. 9. YOUR attention will be naturally drawn to the general principles laid down in the Act, for the future administration of India; but the very marked difference between the provisions of it, and those of the Act of the thirty-third, as they relate to the conduct of the Financial Departments of our Governments, renders it highly expedient that you should be furnished, at the earliest period practicable, with our views and opinions upon this branch of the subject, and such instructions as at present appear to be requisite.

10. The most prominent feature of the difference now made, and which will be the first object of remark, is, the entire separation of the Territorial or Political from the Commercial Branch of our Affairs, as directed by the 64th section. As very particular stress appears to have been laid upon this point, for reasons not necessary at present to be detailed; and as it is no less our earnest wish than our positive duty to yield the most implicit obedience to the directions of the Legislature, we are extremely anxious that such regulations should be framed, and such arrangements made, as shall most effectually accomplish the end required. For this purpose, the mode of keeping the Books of Account at our several Presidencies and Settlements is obviously a paramount object of attention. We are aware of the difficulty of furnishing you with instructions, which shall fully embrace every point of the detail of this extensive subject; and that the completion of any arrangement must in some measure be left to the exercise of the practical

Appendix, No. 1.

(A.) Extract of Letter from Court of Directors to Governor-general; 6 Sept. 1813.

knowledge and experience of your Accountant-general: but we deem it of importance to apprize you, that it is indispensably necessary that measures should be taken for keeping and arranging the several Books of Account in the Departments under your Government so as to contain and exhibit the Accounts of the Territorial and Political Departments separately and distinctly from such as appertain to, or are connected with, the Commercial Branch of our affairs, according to the letter and the spirit of the Act; and it is highly essential that the arrangements for this purpose, at each of our Presidencies and Settlements, should, as far as practicable, be carried into execution upon a principle of complete uniformity.

11. We are led to hope that, from the mode in which the Books of Account in India are already kept and arranged, the difficulty of effecting the separation now directed will not be very considerable.

12. Our Auditor of Indian Accounts having, in pursuance of our directions, laid before us a plan of the future mode of keeping your Books of Account, a copy of the same is sent a number in the Packet, in order to be referred to your Accountant-general, who is to consider it as the general outline or ground-work of the future arrangement of those books; but is nevertheless to be at liberty to suggest any additions or alterations of the system thus laid down, which may in his judgment have a tendency to render it more complete.

13. According to the strict letter of the Act, the operation of this section, as well as of those relating to the appropriation of the Revenues, which will next be noticed, must be considered as commencing after the 10th April 1814. As your official year terminates the 30th April, it does not appear necessary to make any of the alterations in the general form of your books till the opening of the year 1814–15; but you will give the requisite directions, that any advances that may have been made from the Political to the Commercial Department in the manner hereafter directed, between the 10th and the 30th April 1814, may be carried to account accordingly, and stand as a debit to the latter Department in the books of 1814–15; so that it shall be practicable to present to Parliament the Account of the Territorial and Commercial transactions completely contradistinguished from each other, at the period required by the Act.

14. The next point of difference in principle from the former Act, to which your attention must be very speedily directed, is in the 55th and 56th sections of the present Act, respecting the appropriation of the revenues and profits of our Territorial possessions, and the funds which are assigned as immediately applicable to the purchase of investments, or the purposes of commerce.

15. You will observe by the 55th section, that the Territorial revenues and profits are first to be appropriated to defray the several descriptions of Charge; which are enumerated under their respective heads; viz.

The Charges and Expenses of Collecting the Revenues.
The Military Establishments.
The Interest upon the Debts.
The Civil and Commercial Establishments, and the Territorial Charges paid in Europe, or the Advances made in Europe on account of Territorial Charges.

16. The surplus which shall result, after defraying all these charges, is to be applied to the liquidation of Territorial Debt, or of the Bond Debt in England, or to such other purposes as we may think proper to direct from time to time. This is the general outline of the appropriations to be hereafter made.

17. The appropriation now prescribed differs from that prescribed by the Act of the 33d principally in the mode of advance, and in the extent of what is to be issued in each year for the purchase of Investment, the Act of the 33d directing it to be made in a specific sum from Surplus Revenue; whereas the whole amount to be issued in India, for the purposes of Commerce, in the purchase of Investment in India or China, is in future to be regulated by the actual payments which shall have been made in England, during the year preceding, from our Commercial funds on account of Territorial charges.

18. We cannot more distinctly explain our views of the construction of the Sections of the Act which have now been brought under notice, than by observing, that although the management of the whole as one concern remains with us, it is requisite that the Political branch should be considered as an affair of Government, the Commercial as that of a mercantile transaction, and by debiting and crediting in account the transactions between them in advances and supplies, as if they were absolutely distinct and separate concerns; so that accounts of receipt, expenditure, and balance, may be duly rendered by each respectively in the way required by Parliament.

19. The sections of the Act now passed, relating to the finances, appear to us to have been founded upon the positive assumption, that during peace at least, the revenues of the Territorial or Political branch will be fully sufficient not only to defray its own charges both at home and abroad, but to furnish a surplus applicable to the reduction of the debt; and that the ultimate proceeds or profits of the Commercial branch will likewise amount to a sum exceeding what shall be required for the liquidation of all demands of a commercial nature, including the dividends on the Capital Stock and the interest upon the Bond Debt in England.

20. The effectual accomplishment of these objects is of the highest importance to the future prosperity of our affairs, and, in so far as respects the Political branch particularly, is viewed by us with the utmost solicitude and anxiety. The result of the actual accounts of Revenue and Charge in the year 1811–12, as advised in your letter from the Financial Department, dated 21st November 1812, is highly satisfactory to us; and although the result

result estimated for the year 1812–13 in the same letter, falls far short of that of the preceding year, we trust that the expectations held out by you, that the actual result will not be less than a million sterling, will be fully realized. We propose communicating in the next despatch our orders relative to the branches of the Indian establishments which in our judgment are susceptible of reform, and to furnish you with an accurate estimate of what may be the future amount of the advances to be made in England on account of the Territorial Charges; but we cannot defer impressing most distinctly upon your attention the necessity of the utmost vigilance that the revenues be duly realized and brought into our treasuries; and as to the charges, not only that an increase may by every possible means be avoided, but that every measure, consistent with the security of the Empire, be resorted to for their retrenchment. The surplus revenue of a million will not be sufficient to defray the advances required in England, including the charge of interest, &c. produced by the loan of 2,500,000 *l.* from the Public in the year 1812; it is therefore perfectly clear to us, that unless a reduction of expenditure to the amount of 500,000 *l.* annually can be accomplished, the expectation of Parliament as to the liquidation of debt, will not only be disappointed, but the recurrence of war would be productive of the most disastrous consequences.

21. As directly applicable to the term "Surplus Revenue," we deem it proper to observe, for your future guidance, that the view of the surplus produce of the Territorial Revenues cannot be reckoned complete, till the whole amount of Political Charges incurred both in India and in England shall be brought to account. You will be furnished in due time with an account of the Political Charges incurred in England; but you will nevertheless continue as formerly to cause to be drawn up, and forwarded to us, the Annual Statements of the Revenues and Charges, showing the actual result in India in each year; also Estimates of succeeding years, accompanied with the fullest explanation of the causes of variations which shall appear on the comparison of the actual Accounts with the Estimates for the year to which they relate, or in the Estimates of the following years, compared with the actual accounts of the past.

22. With respect to the Commercial Branch, we strictly enjoin your scrupulous attention to its economy and management, not only as it may be connected with the proper application and employment of our own funds, but as it may be affected by the enlarged or general competition which is now admitted into the trade of India.

23. You will from time to time be furnished with our orders upon this subject: but we cannot omit on the present occasion expressing our expectation, that all our servants shall conduct themselves with liberality and candour, and act up to the full spirit of the Legislature; so that, if the traders should be disappointed in their views, they may have no ground for imputing their disappointments to any deviation on our part from the principle upon which the trade is open to them.

24. The difficulty of the process in the separation of the accounts at the winding-up of the expiring period may, in some degree, be increased by our orders of the 9th April 1813, for the investment to be provided in the year 1814, which exceed the amount in the contemplation of the Act since passed. The sums advanced in consequence of these orders will of course be brought to account, and must be hereafter adjusted with the amount of the advances or payments made from our Treasury in England, on account of the Territorial or Political concern; and in whatever amount the advance made by that concern in India in 1814, shall exceed the payment made in England, such excess must be debited in India to the Commercial branch.

25. Our instructions for the provision of the Investment of the year 1815 will be forwarded at a proper time. We propose upon another occasion to state more specifically, in detail, our views and intentions respecting the management of our Commercial affairs; for the present we shall only advert to our former observation, that the description of funds which will be hereafter immediately applicable in India to the purposes of Commerce, is—

1st. The repayment of advances made in England from our Commercial funds for expenses chargeable to the Territories, according to the amount to be advised by us, deducting therefrom the charges of the Commercial establishments, and all the Commercial charges in India which may have been paid from the Territorial revenues or the Political funds in the same year. We shall advise you of the principle upon which this deduction is to be made.

2dly. The produce of the sale of exports of goods and merchandize consigned directly to our Commercial Boards, with any other fund strictly of a Commercial nature that may come into the possession of those Boards, you will receive our instructions as to the detailed application of those funds in the purchase of Investments in India; also as to the amount to be remitted to China for the purchase of Investments there.

26. It is necessary to draw your particular attention to the money which may remain in the Indian treasuries, in consequence of the loans having been raised upon terms under which the holders of public securities are entitled, at their option, to demand the payment of the interest falling due half-yearly in bills upon us at a specific rate of exchange. The uncertainty of the amount to which, from various causes, the exercise of this option may be carried, renders it extremely difficult and almost impracticable to establish any plan of remittance upon a regular principle; this money originating in, and proceeding from, an

Appendix, No. 1.

(A.)
Extract of Letter from Court of Directors to Governor-general; 6 Sept. 1813.

appropriation of Territorial revenue, is to be considered strictly of a Political nature, and as a species of deposit in your treasury for the purposes of remittance to England for the payment of the bills, which are as strictly a Political demand upon our home treasury. With this view, when the payment of the half-yearly interest upon the debt is demanded in bills upon us, you will immediately upon the issue of those bills uniformly set apart a sum equal to their amount, in order to its being remitted to us for the supply of our treasury at home: for notwithstanding the provision in the 58th section of the Act for the protection our Commercial funds in England, from the embarrassment which would be occasioned if those bills fell in course of payment without the remittance of funds from India to meet them, it is of essential moment that every practicable measure be resorted to, in order that a due supply my be thrown into our home treasury. And here we would strongly express the anxiety we feel, that our financial system may be brought to that state of arrangement, that application to Parliament for pecuniary assistance may in no case be requisite, except upon extraordinary occasions, arising from Political or other contingencies, which no human foresight or management could provide against.

27. Having laid down as a general principle, that in our judgment the money which is now the object of remark, is purely Political in its nature, we have further to add, that the disposal of it in the way of remittance is to be regulated according to a plan, the general outline of which we now proceed to communicate:—

1st. In advances to the Public Service repayable by His Majesty's Government in England. This being a mode of remittance advantageous both to the Government and to the Company, you will avail yourselves of it to the utmost extent of the demands which may arise, taking measures that the advances in cash made by you be regularly vouched, also that the account of every expenditure chargeable either in supply of stores, &c. or in disbursements on account of Government, be drawn up with the utmost precision, and transmitted to us, signed by a responsible officer. Measures are in concert with His Majesty's Government for a definitive arrangement of this subject, which will be hereafter communicated to you: but you will for the present follow the instructions which are now given, and charge the advances and supplies in the current coin of the Presidency and Settlement where they are made.

28. 2dly. The second mode of remittance that has been suggested to us, is through the channel of private merchants or individuals, and this in two ways:

First, In the receipt of monies from such merchants or individuals, into our treasury in England, for bills upon our governments in India.

Secondly, In advances by our governments in India to such merchants or individuals as may require them, for bills on their agents in England, to be offered upon the positive consideration that the amount advanced is to be employed in the purchase of goods and merchandize in India, to be consigned to some port of the United Kingdom.

29. Having thus explained the general outline of the plan, at present in our contemplation, as applicable to this remittance, we have only to add, that we are fully aware that no less uncertainty attaches to the extent to which the plan itself may operate, than to the amount of the fund for which its operation may be required. We must be governed by circumstances as they occur, and shall furnish you with our instructions from time to time. For the present you will proceed in making advances to the Public Service as first directed, and in making trial of the proposition as to advances in cash to private merchants and individuals, upon the principle now laid down, taking every possible care that no loss be incurred in the rate of exchange, or by the tenor at which the bills shall be drawn; and especially guarding that substantial security be taken from the individuals to whom the advances may be made, either by the consignment of the goods to the port of London to be deposited in our warehouses, or by such other securities as you may deem sufficient. You will likewise, as a security against risk, require that the consignments shall be insured, and the policies placed in your hands, till advice shall be received of the payment of the bills.

30. You will take into early consideration the manner in which this measure should be announced to the Public, with a view to the general accommodation, and for the purpose of your being apprized in time of the extent of the applications that may be made; for, if the amount in which the private merchants shall be disposed to avail themselves of this mode of accommodation shall fall short of the sum required to be remitted, after the advances shall have been made to the Public Service, and the bills drawn by us shall have been paid, the amount of the remittance must be absolutely and fully carried into effect, to the extent that bills may have been drawn upon us for the interest on the debts; and you must therefore, as a dernier resort, have recourse to the measure of further advances to our Commercial department, for the purchase of goods for consignment to us, to the amount of the deficiency which shall be found to exist, in consequence of the failure of demand by the parties as now adverted to, unless the situation of the money market in India shall render it safe or eligible to make an occasional consignment of bullion.

31. You will of course regulate the remittance from year to year, as far as possible, by the amount which shall be required. If in any year it should occur, that remittances shall have been granted to individuals in excess of that amount, you will in such case make a proportionate reduction in the next year.

32. The amount for which remittance will be required, must ever be liable to great fluctuation, principally from the course of exchange, and the demand that shall exist for cash at our Presidencies.

(a 1.)

Appendix, No. 1.

(a 1.)
Outline of a Plan for keeping the Books and Accounts of the several Presidencies in India.

OUTLINE of a Plan for keeping the Books and Accounts of the several Presidencies in India, in conformity with the directions of the Act of the 53d of His present Majesty, c. 155, sect. 64.—(Referred to in the preceding Extract, para. 12.)

THE General Books which, as the title imports, exhibit the particulars of the pecuniary affairs of the Governments in all their branches, to be continued so far as regards the details of the Territorial and Political transactions of the Company. The Commercial concerns to be entered on those books only in abstract.

A set of books to be opened, entitled "The Journal and Ledger of the Commercial Concerns of the East India Company," in which every transaction relative to those concerns is to be entered in detail.

The General Journal and Ledger will contain the detail of all the accounts relative to the following departments of the service:

1st. The General Department, comprehending all matters relative to the Political concerns of the Company, the Mint and Post Office revenues and expenses, and the other offices classed under this department in the book of civil establishments; except the establishments of the Supreme Court, the Justices of Peace and Coroner, which more properly fall under the Judicial Department; and the Nizamut, and other stipends and allowances, which are charges upon the revenues, and should come under the Revenue Department. In regard to the stipends to the King, &c. at Delhi, these are at present charged against the revenues, although in the book of establishments they stand under the general branch.

2d. The Judicial Department, including the Supreme Court, &c. as above.

3d. The Revenue Department, including the Stipends, &c. as above, and customs; under this department the salt and opium may also be included, as there does not appear to be any cogent reason against re-transferring the management of these articles to the Board of Revenue; on this point, however, the opinion of the Governor-general in Council should be taken.

4th. The Marine Department. The forgoing comprise the civil branches of the service, included under the Territorial and Political concerns.

The Military Department is a separate head comprehended in those concerns; but it is not intended that the military disbursements should appear in detail on the general books; these may continue under their present form and mode.

The General Journal and Ledger should contain a head of *Commercial Department*, under which all receipts and advances from, to, or on account of that department, are to be entered.

The Commercial Journal and Ledger, should in like manner contain a head of *General Books*, showing the corresponding debits and credits of the Territorial and Political concerns.

The Accounts of Receipts and Disbursements annually sent to Europe, should be framed on similar principles, in such a manner as to show the distinction between the *Territorial* and *Political* and the *Commercial* transactions of the Government in the two branches.

The Quick Stock Accounts to be framed on the same principles. One statement as at present may contain the whole of the debts and assets, although to be divided under the two branches.

In the first place, the balance of property of every description remaining on the 10th or 30th April 1814, in every department under the Government, is to be stated in detail distinctly and separately under the two heads of *Territorial* and *Political* and *Commercial*; the Quarterly Accounts thereafter will of course be framed on the same principles.

The Dead Stock Accounts to be framed in the same manner.

The foregoing observations are more particularly applicable to the Accounts of Bengal; but the same principles are to be attended to at the other Presidencies, as far as circumstances will admit; it being distinctly understood, that one uniform system, both in principle and detail, is to govern the method of keeping the Accounts of all the Presidencies.

For this purpose it is extremely desirable that the mode of bringing the Account on the Bengal General Books, the Revenues of the Provinces and the Customs, should be followed at Madras and Bombay; to effect which, it will be necessary to forward from Bengal to the other Presidencies, copies of those parts of the General Books which relate to the Revenues and Customs. Any further directions which may be requisite to produce a conformity in the Books of the two Presidencies with those of Bengal, in other articles, may also be supplied from the latter.

Whatever instructions may be necessary regarding the method of keeping the Accounts at Prince of Wales Island, and Fort Marlborough, upon the plan above sketched out, will be furnished from Bengal.

East India House, August 1813.

Appendix, No. 1.

(B.)

(B.) Plan for keeping and arranging the Books of Account of the East India Company, in England, &c.

PLAN for keeping and arranging the Books of Account of the East India Company in *England*, that the said Books shall contain and exhibit the Accounts of the Territorial and Political Departments separately and distinctly from such as appertain to, or are connected with, the Commercial Branch of their Affairs; submitted by the Court of Directors of the said Company to the Board of Commissioners for the Affairs of India, for their approbation, in conformity to the Provisions of the Act of the 53d of the King, c. 155, sec. 54; together with the Alterations, Amendments and Additions made by the said Board, in the manner also provided in the said Act.

PLAN, As originally submitted by The Court.	ALTERATIONS, AMENDMENTS, and ADDITIONS, By the Board of Commissioners.
Classification and Allotment of Charges.	
Territorial and Political Charges.	
Political Charges General.	
Commissioners for the Affairs of India.	
Raising of recruits and cadets.	
Tradesmen's bills for repairs of the house, coals, candles, house expenses; one half.	
Law charges; one half.	Law Charges.—The expense incurred under this head, *whether for actions at law or* otherwise, *relating to the* Political Department, to be distinctly and separately brought to account.
Packets overland.	
Military fund.	
Annuitants and pensioners; all granted for political services.	
Directors gratuities; one half.	
Salaries and gratuities to the officers of the house.	
Secretary's office; two-thirds.	
Treasury; one-fourth.	
Accountant's office; one-fourth.	
Examiner's office; the whole.	
Auditor's office; ditto.	
Freight office; one-fourth.	Freight office to be wholly chargeable to the Commercial Department.
Historiographer; the whole.	
Librarian; ditto.	
Book office; one-half.	
Counsellors; ditto.	
Solicitor; ditto.	
Paymaster of seamen's wages; one-fourth.	Paymaster of seamen's wages to be wholly chargeable to the Commercial Department.
Shipping; ditto.	Shipping, ditto, ditto.
Military stores; the whole.	
Military fund; ditto.	
Doorkeepers; two-thirds.	
Military Secretary; the whole.	
Assistant; ditto.	
Extra clerks; two-thirds.	
Fire-lighters and porters; one-half.	
Military officers and soldiers; sundries for provision on the outward voyage to India.	
East India volunteer regiments.	The expense of the volunteer regiments to be equally divided between the Political and the Commercial Departments.
Sundries for passage-money to India.	Admitted, as far as relates to the Political service.
Company's stud.	
Subscriptions to charities and on public occasions; one-half.	
Clerks in the house, for extra attendance; in the same proportion as the salaries.	
Military seminary; the whole except the building.	

PLAN, As originally submitted by The Court.	ALTERATIONS, AMENDMENTS, and ADDITIONS, By the Board of Commissioners.
Political Charges General—continued.	
East India College; the whole except the building.	East India College.—The expense to be charged to the Commercial Department, in the proportion the number of servants of that Department bears to that of the Political Department on the Indian establishments.
Examining military stores.	Approved, so far as may relate to the Political Department.
Adjustment of Indian accounts, and payments on account of India. Money advanced per order of the Secret Committee. Bengal Orphan Society. Commissioners for adjudicating Carnatic debts. Depôt at the Isle of Wight. Stationery for home use; one-half. Persian embassy and subsidy. Fees on brevet commissions. Madras Military Fund. Batta to King's naval officers serving in India. Taxes for the house; one half. Prisoners of war.	
Passage of Military to India, including Tonnage occupied by the Troops.	Approved—but the Board require an account to be annually laid before them, at the commencement of the season, of the rate proposed to be charged for the passage of each officer and soldier to India, showing the several items of which that rate is composed; also an account showing the number of military actually conveyed to India in the Company's ships in each season, with the charge on account thereof: distinguishing His Majesty's from the Company's troops; distinguishing likewise officers and privates.
Political Freight and Demorage. Demorage previous to leaving England, where the same has been incurred by waiting for troops or stores belonging to Government.	The Board approve, as a general principle, of the Commercial Department being reimbursed every expense *bonâ fide* and actually incurred by the provision of tonnage for the conveyance of troops or stores to India: but considering the charge in question to be immediately applicable to or connected with the Company's Political government, they think proper to direct that arrangements be made to avoid, as far as practicable, this charge. As to the embarkation of His Majesty's troops for the Company's service, that the Departments of Government give timely notice to the Court of Directors of the number of troops intended to be sent to India in each season; and that the Court in due time apprize those Departments of the periods after which the ships would be subject to the charge of demorage. With respect to the Company's own troops, it is presumed to be perfectly within the power of the Court to prevent the necessity of incurring the charge.
Passage of troops; Charter-party passengers. Freight of tonnage allowed; ditto. Victualling, ditto.	Admitted; but an account to be annually laid before the Board, showing distinctly the expense incurred on these accounts; also the number and description of Charter-party Passengers, with the rate of charge for each, under their respective heads.
Amount of freight paid by the Company, for tonnage reserved for the accommodation of troops.	According to the general principle already admitted, expense actually incurred by the Commercial Department, is to be repaid:—As to tonnage expressly reserved for, and occupied by troops, there can be no question;

Appendix, No. 1.

(B.) Plan for keeping and arranging the Books of Account of the East India Company, in England, &c.

PLAN, As originally submitted by the Court.	ALTERATIONS, AMENDMENTS and ADDITIONS, By the Board of Commissioners.
Political Freight and Demorage (continued.)	but the rate of the freight must be annually reported to the Board, as before required. As to tonnage reserved, but not occupied in consequence of the embarkation being countermanded, the Board cannot admit the charge, unless it shall be made to appear that a positive loss or expense has been incurred by the Commercial Department; and that it was found necessary to occupy extra tonnage, or to charter more ships in consequence of the reserve for the conveyance of troops.
Amount of freight paid by the Company, in consequence of the ship being employed as a packet or cartel.	Admitted; with the understanding that the proposition has no reference to dispatches or letters forwarded to or from India, by the Company's ships in the usual course.
Demorage for time employed in public service, or in carrying troops or stores from one port to another in India; and Freight paid for tonnage of troops, military stores, &c. from one port to another in India.	Admitted; provided the Commercial Department actually incurs expense or loss by the ships being detained or employed for the purposes now stated, but not otherwise. If ships are proceeding from one port to another in India, unoccupied by merchandize, and no extraordinary freight or demorage is paid to the owners in consequence of the conveyance of troops or stores, no charge should be borne by the Political Department, except for the victualling the troops or shipping the stores, according to long-accustomed usage.
Freight of Stores, consigned to St. Helena. Demorage for deviation to St. Helena, and for detention there delivering stores, outward bound.	At a rate to be reported to the Board from year to year. If the Company have dealings at St. Helena in the export of goods for sale, a proportion of the demorage should be charged to the Commerce. Positive orders should be given to the government of St. Helena to adopt every measure to prevent a longer detention of the ship at the island than absolutely requisite for the delivery of the stores.
Freight on Government stores.	The freight on Government stores being repayable by His Majesty's Government in England, cannot be classed with the head of Political Freight and Demorage, which forms a part of the Territorial Charge to be repaid in India. A discussion having taken place with the Right honourable the Secretary of State for the War Department, respecting the conveyance of troops and stores for Government on the Company's ships, and the general principle admitted that preference should be given to these ships over those of private individuals, provided the charge is equally reasonable; it will rest with the Court to adopt the requisite measures with the public offices, in order to accomplish a definitive arrangement on this subject.
Interest on the Debts of the Nabob of Arcot.	Admitted to be Political; but the Board desire to be furnished with an account of the actual amount of the Funds for this purpose, arising either from annual receipts from the Carnatic revenue, or the interest upon the amount of them: also the specific application of the same in India and England, whether in liquidation of charges incurred by the Commissioners, or in payment of the principal or interest of the claims already adjudicated by the said Commissioners, made up to the latest period practicable; also that an account of a similar description be furnished annually.
Pay to Military Officers on Furlough and Retirement.	Approved; but a detailed statement of the payments on this account to be annually laid before the Board.

PLAN,
As originally submitted by the Court.

Pay Office General for recruiting King's Regiments serving in India.

Interest on the Loan of £. 2,500,000. from the Public, and Sinking Fund.

Expenses of St. Helena, payable in England.

Expenses of Prince of Wales Island, payable in England.

Expenses of Bencoolen, ditto.

Military and Garrison Stores to be exported.
Cost.
Freight on ditto.
Interest.
Charges.

ALTERATIONS, AMENDMENTS, and ADDITIONS,
By the Board of Commissioners.

The repayment of this disbursement to the Commercial Department in India, depending on the actual advance of the money by the Company's treasury in England, an arrangement must be made with the office of His Majesty's Paymaster General, respecting the periods of payment, so as that the demands of that office may be regularly brought forward and liquidated within the Company's official year of account.

This payment should be regularly brought to account, distinguishing interest, and sinking fund.

Approved. The revenues at present existing with whatever new duties may be levied, to be applicable to the expenses. The correspondence relating to the affairs of this island, to be hereafter submitted to the consideration of the Board of Commissioners, in like manner with that relating to the other political concerns of the Company.

An adjustment must be made of the expenses of the island; and such part as may appear to be of a commercial nature carried to account accordingly.

An adjustment to be likewise made of the expenses of this settlement; the Military establishment, after deducting the revenues, to be charged to the Political Department, and the Civil Establishment to the Commercial.

Marine or naval stores for the Company's marine establishments are supposed to be comprized with the military and garrison stores. The Board rely that the utmost attention be paid, that the indents from India for stores be limited to the annual demands of the service, as far as prudent and practicable, so that expense be not incurred by the mere accumulation in the arsenals. Economy in the purchases is evidently an essential point of attention. The freight will be charged at the rate charged on the Company's staple exports, or in an equitable proportion, according to the articles. The interest on the actual outlay of the money, and the rate of the charges on the invoices, similar to that on the Company's exports.

SUGGESTIONS by the COURT,
In regard to the Preparation of Accounts under The New Charter.

1. It is submitted, that the profit and loss accounts be made up in the respective sales as heretofore; that the profit which shall be apparent in the March and September sales 1814, shall be the funds whereout the dividends due in July 1815 and January 1816 shall be paid. The same system to be observed in each subsequent year, so that the dividends shall be payable out of the profits arising in the preceding year.

REMARKS, ALTERATIONS, AMENDMENTS,
And ADDITIONS,
By the Board of Commissioners.

As the appropriation of the profits of the year in the manner suggested by the Court, appears to be the only practicable mode by which the directions of the Act can be carried into operation, the Board approve the same, premising that the dividends on the capital stock due in July 1814 and January 1815, will be paid from funds arising from profits in the sales of March and September 1813; but they think proper to call the attention of the Court to the necessity of giving directions, that the accounts which must be required, according to the 57th and 58th sections of the Act of the 53d of the King, be annually prepared with every degree of precision, in order to show the sufficiency or otherwise of the funds for the purposes therein specified.

Appendix, No. 1.

(B.)
Plan for keeping and arranging the Books of Account of the East India Company, in England, &c.

SUGGESTIONS by the COURT,
In regard to the Preparation of Accounts under The New Charter.

REMARKS, ALTERATIONS, AMENDMENTS, And ADDITIONS,
By the Board of Commissioners.

2. That the political payments, which shall be made in England in the year 30th April 1814 to 30th April 1815, added to the amount of exports in the year 1814–15, be considered as constituting the funds which will be applicable to the provision of cargoes to return to England in the year 1816.

Approved; as the suggestion appears to be in conformity to the letter and spirit of the 50th section of the Act, so far as respects the year which is specified. The commencement of the new system is prescribed to be the 10th April 1814, both for India and England. The process in the first year must therefore necessarily be on estimate, and adjustments must afterwards be made of the advances and payments in the Commercial Department, in the manner provided for in the same section.

3. That the general stock account of the Company, called Stock per Computation, which has been heretofore made up to the 1st March in each year, shall in future be made up to the 1st May, and that the home-accounts, as well as the quick stock accounts of the several Presidencies of India, do distinctly exhibit the statement of Territorial debts and assets, contradistinguished from Commercial debts and assets; and also that the annual account, which in virtue of Acts of Parliament now in force is directed to be made up to the 1st March in each year, be in future made up to the 1st May. To effect this alteration, a new Parliamentary enactment will become necessary.

The Act of the 54th of the King, cap. 36, sec. 55, provides for the alteration of the period of making up the accounts. The distinct exhibition of Territorial debts and assets contradistinguished from Commercial debts and assets, as now proposed, is fully approved; and the Board are very desirous that instructions be sent to the Indian Governments to give the most positive directions to the Departments of Account, relating to the transmission of documents required for the preparation of Accounts in England, so that they may be presented by Parliament within the time required by the Act.

4. That an account be opened in the ledger under the head of "Territorial Account," which will contain on the debit side the amount of all payments made in England on that account; and on the credit side the payment by India, of these advances either by issues to the Commercial Boards in India or by any other means.

Approved; on the assumption that it is combined with such arrangements of detail, as shall enable the Company from time to time to furnish such distinct accounts relating to the several branches of the Political Department, both as to debts and assets, and receipt and expenditure, as are or may be required by Parliament, or called for by the Board. It being understood, that the account of the payments in England for Territorial charges to be repaid in India, according to the provision of the 54th section of the Act of the 53d, will be drawn up or calculated from the debit side of this general head; and as the rate of exchange at which the payment in sterling shall be converted into Indian currency, is not provided for in the said Act, the Board deem it eligible and proper to determine, that the exchange shall be at the same rates which have obtained and been sanctioned by the usage of Parliament, as well in fixing of salaries, and in the settlement of accounts between the Public and the Company, as in the accounts which have annually been presented to or brought to the view of Parliament for a long series of years, viz.

2 *s.* the current rupee, calculated at 16 per cent. less than the Sicca rupee.

8 *s.* the Pagoda.

2 *s.* 3 *d.* the Bombay rupee.

5. That an account be opened under the head of Bills of Exchange, drawn from India on account of the interest of Indian debt; the debit side to exhibit the amount of payments made in England by the Company, in each year on such account. The credit side to exhibit, 1st. The amount of monies that may be received in England in re-payment of

The Board fully approve the keeping the transactions to which this head of account applies, entirely distinct and separate from that of the general Territorial account. The manner of debiting the payments in England under this head, as now proposed, is correct. The formation of the credit side, by bringing to account the remittances through the

SUGGESTIONS by the COURT,
In regard to the Preparation of Accounts under The New Charter.

of advances made in India on account of His Majesty's government.—2dly. The amount of monies that may be received in England for bills to be drawn on India.—3dly. The amounts of bills of exchange drawn in the Company's favour for advances made to individuals in India.—4thly. For advances made in India to the Company's commercial servants, for investment to be specifically provided in India from the funds, to the amount which England shall be drawn upon for the payment of the interest on the Indian debt.

6. As the amount of stores to be exported may be deemed a Territorial disbursement, it is submitted that in future those stores be invoiced at their actual prime cost, without the addition of 10 per cent. as has been the practice; that the freight outwards, the insurance, interest, and charges of shipping be added in lieu of this 10 per cent.

7. It thus being proposed that the invoices of stores exported to India, shall contain the prime cost with the several charges of freight, interest, insurance, and charges of merchandize, so in like manner it appears to be desirable that the invoices of goods for sale should be formed upon the same principle.

REMARKS, ALTERATIONS, AMENDMENTS,
And ADDITIONS,
By the Board of Commissioners.

the four modes which are pointed out, calls for no further remark as to the three first, than as it may relate to the uncertainty of their amount respectively, from being exposed to contingencies as to the advances to the Public Service, and being experimental as to the transactions with individuals. As to the fourth mode, or the remittance to be made through the channel of the Company's Commerce, which is designed to embrace whatever amount may be required to be remitted beyond what shall have been provided for by the other modes, the Board, in reference to the several discussions which have taken place on this subject, have thought proper to agree, that an arrangement be made on the following principles: The belance found remaining under this head of Account at the close of the year, after giving full credit for all remittances received from India in the course of the year, whether in bills or certificates upon Government, or bills upon individuals paid or payable, or in receipts from individuals for bills on India, to be added to the amount of Territorial Charges, to be repaid from the Political Treasury in India to the Commercial Department there, and to be applied by that department, at the option and risk of the Company. But the amount of this balance to be converted into Indian currency at the rate of exchange at which the bills may be drawn; provided always, that if, in any year, the Company's trade from India shall not realize, upon an average, 2 *s.* 6 *d.* the sicca rupee, the Political Department shall be debited for the amount of the deficiency, which shall be found to have arisen on the sum to which this head of account relates. The Board desire it to be distinctly understood, that their acquiescence in the arrangement suggested by the Court for making the separation of the Political and Commercial Accounts in the existing ledger, is, from their reliance on the assurance conveyed by the Court, that it will be found fully sufficient for the purpose of yielding obedience to the directions of the late Act, and that new heads will be opened in the books of the Company from time to time as circumstances may require, of which the Board is to be kept regularly advised.

The cost, freight, interest and charges of shipping having been already adverted to, this suggestion is approved, with the exception of what relates to insurance, which is not to be charged.

Approved; with the exception of insurance, the losses actually sustained to be brought to account as heretofore.

Appendix, No. 1.

(B.)
Plan for keeping and arranging the Books of Account of the East India Company, in England, &c.

SUGGESTIONS by the COURT, In regard to the Preparation of Accounts under The New Charter.	REMARKS, ALTERATIONS, AMENDMENTS, And ADDITIONS, By the Board of Commissioners.
8. In regard also to the formation of the freight accounts, it will be desirable that the freight upon goods exported be separated from the freight on goods imported. According to the present system, the whole freight and demorage is charged in the home accounts, excepting upon such part of the outward cargo as exceeds the stipulated free tonnage.	Approved.
9. As political freight and demorage is to be carried to the Territorial account, it will also be necessary that a separate account be made up for all charges of this description, such account to pass the Committee, as is customary with other freight accounts.	Approved.
10. As the Company are in the practice of making advances on account of freight at various periods before the freight account is finally settled, these advances, it is submitted, shall in the first instance be considered to relate alone to the commercial freight and demorage, subject to future adjustment. The freight account in this view of the subject, will be divided into three classes:— 1st. For freight and demorage outward;— 2dly. Freight and demorage homeward;— 3dly. Political freight and demorage.	Approved.
11. Such directions as appeared to be necessary for the arrangement of the Indian books and accounts, have been transmitted to India in the despatch of the 6th September last.	Requires no remark.
12. The Act commencing simultaneously in England and in India on the 10th of April 1814, the statement of debts and assets at home and abroad should be made up terminating with that day, or say 30th April 1814. The view then exhibited of the Company's debts and assets, distinguishing under the heads respectively of political and commercial, will be the basis on which the future system of the Company, in regard to the separation of their accounts, is to be formed; but this account cannot be made up till the Indian statements to the 30th April 1814 shall have been received in England.	The statement to be prepared in the manner proposed, and made up to the 10th, and adjusted to the 30th April 1814, for presentation to Parliament in the next year, at the period directed by the Act.
13. As it has been before proposed that the accounts of stock per computation, shall be made up on the 1st of May in each year, it is also proposed that the general ledger of the Company in England shall be balanced on the 30th April in each year, instead of the 30th June in each year as at present. An alteration in the bye-laws will be necessary, before this proposition can be carried into effect.	Approved.

Approved by order of the Board of Commissioners for the Affairs of India.

Whitehall, 30th June 1814. (signed) *Tho. Per. Courtenay.*

Appendix, No. 2.

MR. PENNINGTON'S REPORT.

IN the course of the inquiries which have been instituted into the Financial condition of the Indian Empire, and of the East India Company, it was understood to be the wish of the Committee of the House of Commons (1831) that some person, sufficiently conversant with accounts, and unconnected either with the Company or the Board of Control, should be employed for the purpose of examining the Public Accounts of the Company. The Board of Commissioners for the Affairs of India, having taken steps with a view of meeting this desire, have directed that the Report hereunto annexed may be submitted for the consideration of the Committee.

India Board,
20 July 1832.

(signed) *Thos. Hyde Villiers.*

Appendix, No. 2.

LETTER from *James Pennington*, Esq. to *T. Hyde Villiers*, Esq. enclosing REPORT upon the Financial Accounts of the East India Company. Appendix, No. 2.

Sir, India Board, 20 July 1832.

I HAVE the honour to enclose my Report upon the Financial Accounts of the East India Company, which I beg you will do me the favour to submit to the consideration of the Commissioners for the Affairs of India.

I have, &c.
James Pennington.

REPORT upon the FINANCIAL ACCOUNTS of the EAST INDIA COMPANY.

THE Commissioners for the Affairs of India having directed me to examine the Territorial and Commercial Accounts of the East India Company, I commenced the investigation by examining in detail the various Statements laid before me, with a view to discover the principle on which they are drawn out, the relations that subsist between them, and the conclusions to which they lead. Report on the Financial Accounts of the East India Company.

The "Memorandum on the Finances of India," which I submitted to the consideration of the Board in the month of February last, explained the mode in which it appeared to me the investigation might be most successfully conducted, and the nature of the difficulties which opposed its progress. *See* page 32.

Other accounts and explanatory statements have since been laid before me, which have led to more distinct and satisfactory results than I found it possible at that time to attain. Of those results I beg to submit to the Board the following Staement:

Previously to the passing of the Act of the 53 Geo. 3, c. 155, the East India Company were not required to separate the accounts of their Commercial from those of their Territorial affairs. The general interest of the united concern only was considered, without any view to the peculiar objects and interests of either Branch, taken separately.

But the 64th section of that Act required that the Books of Account, abroad and at home, should be so kept and arranged as to exhibt the Receipts, Disbursements, Debts and Assets, appertaining to or connected with the Territorial, Political, and Commercial Branches of their affairs respectively; and that the said Books should exhibit the Accounts of the Territorial and Political Departments separately from those of the Commercial. The Court of Directors were likewise required to prepare a plan for an arrangement of the Accounts of the Company in the manner above-mentioned, and to submit the same to the Board of Commissioners for the Affairs of India, for their approbation.

A plan was accordingly framed immediately after the passing of the Act, and, with certain amendments by the Board of Commissioners, was finally approved.

The Statements laid before Parliament since the year 1814 appear to have been drawn out in accordance with the plan thus arranged and approved of, and have been presented from year to year, in compliance with the Act of 35 Geo. 3, c. 52, s. 126, and 54 Geo. 3, c. 36, s. 55, which require that the Company shall, "within the first fourteen sitting days next after the 1st May in every year, lay before both Houses of Parliament," Accounts Territorial and Commercial, "made up according to the latest advices which shall have been received, and with as much accuracy as the nature of the case will admit."

Those Statements, however, are to be regarded *as* Statements rather than as Accounts, and do not exhibit, nor afford the means of exhibiting, such a balanced Statement of results as precludes the risk of any material error or omission.

Other Accounts and Statements have lately been furnished, with the view of remedying this defect, of obviating all apparent discrepancies, and of bringing all outstanding items of account to a final and satisfactory close.

Those Accounts and Statements consist of two series; one of which relates to the Territorial, the other to the Commercial branch of the Company's affairs. Of the former, the basis is the Cash Account of Bengal, Madras, aud Bombay respectively, commencing with the Balance of cash in the Indian Treasuries on the 1st May 1814, terminating with the Balance of cash in the Indian Treasuries on the 30th April 1829, and comprehending all the cash receipts and disbursements of the three Presidencies during the intervening period.

Appendix, No. 2.

Report on the Financial Accounts of the East India Company.

The following is a condensed Statement of its general results:

	£.		£.
Cash in the Treasuries of Bengal, Madras and Bombay, 30th April 1814 - -	5,548,476	Supplies to the Commercial Branch - - - -	30,364,290
Surplus Revenue - - -	9,304,411	Supplies to Subordinate Settlements, including St. Helena	2,548,011
Difference between debt incurred and paid off, including Oude cancelled loan, and Commissioners for the redemption of debt - -	17,289,864	Unadjusted debits and credits between the three Presidencies - - - - -	421,795
Balance of Supplies from London - - - - -	9,041,717	Unadjusted debits and credits between the several Treasuries Subordinate to Madras -	289,968
		Military Advances outstanding at Bombay - - -	240,183
		£.	33,864,247
		Cash in the Treasuries of the three Presidencies, 30th April 1829 - - -	7,320,221
£.	41,184,468	£.	41,184,468

By the foregoing summary of the Cash Transactions of India, it appears that, from 1814–15 to 1828–29, the Surplus Revenue of the three Presidencies amounted to 9,304,411 *l.*; from which is to be deducted the sum of 240,183 *l.*, the amount of Military Advances, &c. outstanding at Bombay, which forms a further charge upon the Revenues, and reduces the local surplus to 9,064,228 *l.*

In order to introduce the Home Territorial Charges, and all other outstanding items, into this Account, and to obtain a clear view of the Debt Transactions of India, a mutual adjustment of all Accounts between the two branches of the Company's affairs, as well in India as in London, is obviously necessary.

The Account, No. 4, (Territorial Series) shows a Balance due to London from India of 9,041,721*l.* The Account, No. 5, (Territorial Series) shows that after charging the Commercial Branch with the sums issued on its account, at the Subordinate Settlements and St. Helena, the balance to be accounted for to the Territorial by the Commercial Branch amounted to 30,753,271 *l.*

These Accounts, being the counterparts of two corresponding Accounts kept in England, one of which relates to Territorial and Political Payments made in England and the other to Bills of Exchange drawn on account of the Principal and Interest of Indian Debt, should ultimately agree with the latter in their results.

The Explanatory Statements (contained in Nos. 10 and 11, Commercial Series) not having been found sufficient for the purpose of effecting the necessary adjustments, such further explanations have been given as have furnished the means of deducing the same Balances in the Indian as are exhibited in the London Accounts.

No. 5, page 28.

But this object has been accomplished only by conditionally introducing into the former various items, of which an Account, under the head of "Deferred Items," is hereunto annexed, and of which the Balance is 3,587,076 *l.* These Adjustments having been thus conditionally made, and the Net Supplies to the Subordinate Settlements and St. Helena ascertained, the Territorial Income and Outgoings, and Debts and Credits, are shown in a condensed form in the following Statement:

		£.		£.
Surplus Charge, (No. 1.) -		18,410,141	Balance of Cash Debt incurred in India - - - -	17,289,864
His Majesty's Government, (No. 2.) - - - -		3,019,869	Balance of Supplies to and from London, (No. 4.) -	4,580,197
Balance of Supplies to the Commercial Branch, (No. 3.)		1,543,619	Deferred Items, (No. 5.) -	3,587,076
Unadjusted Debits and Credits between the Presidencies -		421,795		
Unadjusted Debits and Credits at Madras - - -		289,968		
Cash 30th April 1814 - -	£. 5,548,476			
Cash 30th April 1829 - -	7,320,221			
Difference of Cash - - - -		1,771,745		
	£.	25,457,137	£.	25,457,37

The

The Accounts, of which the foregoing is a Statement of the Balances, are hereunto annexed, numbered from 1 to 11.

No. 1 is the Account of Revenue and Charge.

	£.	£.
The Tabular Statement (No. 7) shows, that the Surplus Revenue of Bengal, in the 15 years terminating on 30th April 1829, was - - - -		28,374,534
Deduct,		
Madras, deficit for the same period, as per No. 8. - - -	3,086,384	
Bombay - ditto - as per No. 9. - - -	15,983,739	
		19,070,123
		9,304,411
Deduct,		
Military Advances, &c. outstanding at Bombay - - - - - -		240,183
Indian Surplus - - - - £.		9,064,228

Exclusive of the Expense of Bencoolen, Prince of Wales' Island, Singapore, Malacca and St. Helena; which, and the Home Charges, were as follow:

Subordinate Settlements - - - - - - - - - -	£. 2,072,287
St. Helena, Net Charge, including all supplies from England and India -	1,576,370
Home Charges, as per No. 10 (excluding the repayment of the Loan of 1812, which is an item of Debt rather than of Charge) - - -	16,509,118
Political Stores - - - - - - - - - - - - - -	7,316,594
	27,474,369
Deduct Indian Surplus, as above - - - -	9,064,228
Total Territorial Deficit in 15 years, in which is included a Payment of 1,201,201 *l.* for the Redemption of an Annual Charge of Peishcush or Tribute to the Nizam, of 72,072 *l.* - - - - - - -	* 18,410,141
On reference to the Account of Deferred Items, it will be seen that other Outgoings were as follow:	
Difference in the Rates of Exchange at which Bills for Principal and Intest of India Debt were actually drawn, and those at which the Indian Money is converted into Sterling in the Account between the two Branches † - - - - - - - - - - - - -	213,515
Loss on Consignment of Treasure, viz. £.	
Cost at the Rates of Exchange above mentioned - - - 3,855,003	
Produce in England - - - - - - - - 3,237,752	
	617,251
Miscellaneous Claims of His Majesty's Government (Appendix, Report 1831, page 759) - - - - - - - - - - - -	34,176
Demands of His Majesty's Government prior to 1829, adjusted subsequently - - - - - - - - - - - - -	35,006
Balance of Payment to Government for Spices - - - - -	37,735
Further difference in Bills drawn by India upon London - - - -	9,438
Difference in sundry items of Debit and Credit between India and London, including Lord Clive's Fund - - - - - - - -	44,085
Loan of 1812, Principal and Sinking Fund - - - - - -	3,017,172
Short Adjustment in the Account with His Majesty's Government - -	2,697
	22,421,216
Assets: £.	
Cash Balances in India, 30 April 1814 - - - - - 5,548,476	
- Ditto - - ditto 30 April 1829 - - - - - 7,320,221	
Increase of Cash - - - - - - - - - - - - -	1,771,745
Unadjusted Debts and Credits between the Presidencies - - -	421,795
Ditto at Madras - - - - - - - - - - - -	289,968
£.	24,904,724

Supplies:

* This Amount differs from the result shown in the Continuation Papers of March 1831. The latter includes the repayment of 1,717,172 *l.* in Cash, on account of the Principal and Sinking Fund of the Loan of 1812, and does not include certain Items of an extraordinary nature both of Receipt and Payment, of the omission of which in the Budget Statements, a revision of those Statements at the India House led to the discovery. (*See* observations prefixed to the Territorial Series of Accounts.)

† 2 *s.* per Current Rupee, 8 *s.* per Pagoda, 2 *s.* 3 *d.* per Bombay Rupee.

Appendix, No. 2.

Report on the Financial Accounts of the East India Company.

	£.
Supplies:	
Debt incurred (including 2,666,839 *l.* surplus profits) - - - -	17,289,864
Balance due from His Majesty's Government prior to 1st May 1814 -	2,112,113
Surplus Commercial Profit applied in England towards the Payment of Bills drawn on account of Indian Debt - - - - - - - -	2,256,182
Balance due to the Commercial Branch - - - - - - - -	3,036,578
Bills on London due subsequently to 1st May 1829, and not therefore in the last-mentioned Balance - - - - - - - - - -	1,152,966
Short-Charge of Supplies to the Commercial Branch in India - - -	129,919
	25,977,622
Deduct Outgoings and Assets as above - - -	24,904,724
BALANCE to be accounted for - - - - - - £.	1,072,898

The Balance of 1,072,898 *l.*, remaining to be accounted for in the foregoing Statement, arises from the following circumstance:

Bills, amounting to 1,396,913 *l.*, were drawn in India antecedently, and became due in London subsequently, to the commencement of the present Charter. This amount formed no part of the Indian expenditure within the Company's present term: it is, nevertheless, included in the Balance of 3,036,578 *l.*, stated to be due from the Territorial to the Commercial Branch since the separation of Accounts.

On the other hand, the proceeds of Bullion per the Stirling Castle, amounting to 324,015 *l.*, which was shipped in India antecedently, and arrived in England subsequently, to the 1st May 1814, formed no part of the income of India within the present term; but Credit is given for the amount in the London Account Current subsequently to that date.

The difference between these two sums of 1,396,913 *l.* and 324,015 *l.* is 1,072,898 *l.*, the Balance unaccounted for in the foregoing Statement.

If this Balance be rightly charged by the Commerce to the Territory within the period in question, it will form an additional Charge upon the Indian Revenue.

Amongst the outgoings above stated is the repayment of the Loan of 1812. (52 Geo. 3., c. 135.) As this repayment, and the Account with His Majesty's Government with which it is in part mixed up, appear to have been the occasion of some difficulty and misapprehension, it may not be improper, in this place, shortly to advert to them.

The amount of the Loan was originally 2,500,000 *l.*, of which 2,272,623 *l.* remained unliquidated on the 1st May 1814.

This sum of 2,272,623 *l.* was ultimately discharged by money payments, amounting altogether to 1,717,172 *l.*, and a set-off of 1,300,000 *l.* against the Company's Claims upon His Majesty's Government.

But on the 1st May 1814, His Majesty's Government was indebted to the Company to the extent of 2,798,001 *l.*, of which 685,888 *l.*, in addition to certain old Claims of the Company, were rejected by Government in the compromised Settlement of 1822*, leaving 2,112,113 *l.* as a good and admitted claim, and therefore an effectual Territorial Asset.

Under these circumstances, it is obvious that if the money payments of 1,717,172 *l.*, and the set-off of 1,300,000 *l.*, together 3,017,172 *l.*, be added to the Territorial Charges, the Asset of 2,112,113 *l.* must be added to the Territorial Revenue, and that in no view of the matter it can be right to include the cash payments of 1,717,172 *l.* in the Territorial Charges, and to leave the set-off of 1,300,000 *l.*, and the asset of 2,112,113 *l.*, altogether unnoticed.

The proper mode seems to be, to treat the repayment of the Loan of 1812, and the realization of the Territorial Asset existing on the 1st May 1814, as things totally unconnected with the Account of Revenue and Charge, and as standing on a separate account, namely, the Debt account.

The Account with His Majesty's Government hereunto annexed, (No. 2.) is charged with the money payments of 1,717,172 *l.*, and shows a Balance in favour of the Company of 3,019,869 *l.*, which exceeds the capital and sinking-fund of the Loan in question by 2,697 *l.* The whole was a Territorial outgoing, but does not fall under the head of Ordinary Charge. On the other hand, the 2,112,113 *l.* was a Territorial Asset, but does not fall under the head of Ordinary Revenue. These sums are therefore included in the Account of "Deferred Items" hereunto annexed, and in the Account of Extraordinary Receipts and Disbursements above stated.

It may here likewise be observed, that the Account with His Majesty's Government is charged with 1,072,003 *l.* for the Extraordinary Expenses of St. Helena, which sum, deducted from 2,648,373 *l.*, the amount of all Territorial Supplies to the island from England and India, leaves 1,576,370 *l.* as its net charge from 1814 to 1829.

The Territorial Deficit of India, and all other Territorial outgoings, having been thus ascertained, the next point to be adverted to is the Amount of Cash received into the Indian Treasuries on account of Debt incurred.

The

* *See* Copy of Treasury Minute, &c. printed 22 June 1822.

The whole amount so received, from 1814 to 1829, was 17,289,864 *l.*; and although, by a cession of territory to the King of Oude, 1,109,975 *l.* of debt were cancelled, and by the application of surplus Commercial profits made available in India, 2,783,624 *l.* were redeemed or placed in the names of Commissioners for the Redemption of Debt, the whole of the 17,289,864 *l.* is properly brought to the Account of General Receipt and Expenditure above stated.

A Statement has been drawn out at the India House for the purpose of reconciling the above-mentioned sum of 17,289,864 *l.* with the increase of debt (from cash transactions) deduced from a comparison of the Quick Stock Accounts of the 30th April 1814 and the 30th April 1829.

		£.
By this Statement, it appears that the Cash Debt of India on the 30th April 1829, was - - - - - - - - - - - - -		*45,209,921
On the 30th April 1814 - - - - - - - - - -		27,704,911
Increase of Debt - - -		17,505,010
Deduct,		
Increase of Cash and Cash Assets,	£.	
1829 - - - - - - - - - - -	7,914,748	
1814 - - - - - - - - - - -	5,691,674	
		2,223,074
	£.	15,282,936
The difference between the Debt Incurred and the Debt Paid Off, according to the Cash Account, is - - - - - - - - - -		17,289,864
Deduct,	£.	
Oude Cancelled Loan, not included in the Quick Stock -	1,109,975	
Augmentation of Cash Balance - - - - - -	1,771,745	
		2,881,720
		14,408,144
Add,		
The Amount by which the Debt Incurred has been reduced in the Cash View, in consequence of the deduction therefrom under the head of "Bills Outstanding," comprising principally unadjusted Expenditure -		912,982
	£.	15,321,126

An indirect advantage to the Territorial, at the expense of the Commercial Branch, has resulted from the repayment in India of Territorial payments in England at rates of exchange considerably higher than those actually current. This advantage is estimated, in the Statement No. 2, page 111, appended to the First Report of 1830, at 5,154,135 *l.*, exclusive of interest.

But that Statement proceeds upon the supposition that the advances in England, on account of the Territory, were uniformly drawn for at the rate of exchange current in London upon India.

It is not probable, however, that if the two branches had been really distinct and separate, and each had pursued its own interest in its own way, such would have been the course of proceeding. If, indeed, the difference between the rate of exchange current in London upon India, and the rate of exchange current in India upon London, for bills at 60 days sight, had never exceeded 12 months interest, or about 1¼ *d.* per rupee, the Statement would have been wholly unexceptionable; but this difference has occasionally been as high as 4 *d.*, seldom, if ever, less than 2 *d.*; and it is not easy to conceive upon what principle the advantage arising from the difference should be taken altogether on one side. The Act of 53 Geo. 3, c. 155, directs that a sum, equal to the actual payments which shall have been made from the Commercial funds at home shall be issued in India for the purpose of the Company's China or India investment; and the question is, what sum, in the currency of the one country is equal to a given sum in the currency of the other. If the current rate of exchange is to be considered as the criterion, there seems to be no sufficient reason for taking it in London rather than India. A difference of 2 *d.* in the rupee in this respect would induce India to remit (in referring to the rate of exchange as the criterion, the possibility of effecting remittances through the medium of bills of exchange is assumed), rather than to be drawn upon; as, by so doing, an advantage would be obtained by India of about ¾ *d.* in each rupee; if the difference were 3 *d.* in the rupee, the advantage would be 1 *d.* in each rupee. The probability is, indeed, that if the Company's Treasury were always open to the purchase and sale of bills in India and in England, the difference in question

* The Cash Debt of 45,209,921 *l.*, outstanding on the 30th April 1829, includes 2,39,96,763 *S. R.*, or 2,783,624 *l.* under the Head of "Commissioners for the Reduction of the Company's Debt in India."

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question would seldom exceed the interest on a rupee for the time the advance for the purchase of a bill in London would be realized by the remittance of a bill from India; and so long as that is the case, the question, whether to remit or to be drawn upon, would be a matter of indifference. But, on the same principle, the current rate of exchange would seldon deviate from the metallic par by more than half that interest, added to the expense of transmitting specie. The metallic par, deduced from a comparison of the quantity of fine silver represented by the respective denominations of the currencies of India and England, should seem therefore to be the closest approximation to the truth in a computation of this nature. And, as the English denomination of an ounce of standard silver was, on the average of the fifteen years ending on the 30th April 1829, at 5 *s.* 3 *d.* per oz.*, the average metallic par for the same period was 24.956 *d.* per sicca rupee. This exceeds the average of the Accountant General's computation by 1.481 *d.* per rupee, which, on *S. R.* 26,68,54,106, the amount of payments made by the Territorial to the Commercial Branch in India, is 1,646,712 *l.* This sum, deducted from 5,154,135 *l.*, leaves 3,507,423 *l.*, the advantage derived by the Territory from the use of the Board's rates of exchange, exclusive of interest, from 1814–15 to 1828–29.

COMMERCIAL ACCOUNTS.

See Appx. No. 3.

THE Account, No. 1, of the Commercial Series of Accounts, printed for the Finance Committee, contains a statement of that part of the Company's property which was deemed to be strictly Commercial, as computed on the 1st May 1814. The balance in favour of the Company at that date was 19,268,738 *l.*, exclusive of the Dead Stock in India, which amounted, as per returns received from thence, to 467,171 *l.*; together, 19,735,909 *l.*

It appears, however, by No. 4, of the same Series of Accounts, that certain adjustments, made since 1814, operated to reduce the assets which entered into this computation to the extent of 523,926 *l.*, and made the estimated value of the Company's Commercial Property at that period, 19,211,983 *l.*

No. 3 is an Account of the whole Net Return of the Company's Commercial Capital in each year from 1814–15 to 1828–29, by investment in merchandize or otherwise, and shows the following results:

	£.
Profit on the China Trade, deducting Losses at Sea - - - -	15,414,414
Profit on the Management of Private Trade Goods - - - -	1,497,842
Profit at the Cape and in British North America - - - - -	118,742
Profit on the Company's own Ships - - - - - - - -	332,223
Interest on Annuities - - - - - - - - - -	536,156
Interest on advances to the Territorial Branch - - - - -	1,536,078
Balance of Interest under other heads, and Profit on sale of Securities -	1,372,428
	20,807,883
Deduct Loss on India Trade, outward and homeward, including Losses at Sea - - - - - - - - - -	278,707
	20,529,176
Deduct Loss on Sunn Hemp, not included in the foregoing Account (No. 4, Commercial Series) - - - - -	40,796
Total Commercial Profit realized by the Company from 1814–15 to 1828–29 - - - - £.	20,488,379

Of this sum of 20,488,379 *l.*, the application is stated to have been as follows:

		£.
Dividends to the Proprietors - - - - - - - - -		9,450,000
Interest on Home Bond Debt - - - - - - - - -		2,585,346
Applied to the service of the Territory - - - - - - -		4,923,021
Reduction of Home Bond Debt, viz.		
Bonds paid in on Sales - - - - -	£. 471,600	
Bonds paid off - - - - - - -	334,399	
		805,999
	£.	17,764,366

Leaving

* When the Mint was open to the Public for the coinage of silver, the English denomination of an ounce of silver $\frac{222}{240}$ fine, was 5 *s.* 2 *d.* But the Public have for nearly half a century been precluded from the coinage of silver at the Mint. The old Mint denomination of 5 *s.* 2 *d.* must, therefore, for any practical purpose, be regarded as though it had never been.

		£.
Leaving an unappropriated Surplus of Commercial Profits - - -		2,724,013
To which, if there be added the computed Value of the Company's Commercial Property at the commencement of the period - - -		19,211,983
Should give the Value of the Commercial Property at the conclusion of the Period - - - - - - - - - - - -	£.	21,935,966

But the computed value of the Company's Commercial property on the 1st May 1829, including the Dead Stock in India, was 21,668,510 *l.*

The difference is accounted for in the Statement, No. 4, (Commercial Series), by which it appears that the stock on hand is estimated at its market value; and that the anticipated profit of the 1st May 1814 exceeded the anticipated profit of the 1st May 1829 by the sum of 291,550 *l.* This sum being allowed for, throws a difference of 24,064 *l.* to be accounted for to the other side of the account; which difference is explained in a memorandum to the Statement No. 4 (Commercial Series) above referred to.

Although this result of the Commercial operations of the Company is not established by this mode of statement upon principles strictly and indisputably accurate, it may reasonably be presumed to be a close approximation to the truth. There can be no doubt that 12,035,346 *l.* have been paid within the period in dividends to the proprietors, and in interest to the holders of East India Bonds; none that 4,923,021 *l.* have been applied to the service of the Territory; none that 805,999 *l.* of the Home Bond Debt have been discharged. The only point that can be questioned, then, is the remaining surplus of 2,724,013 *l.*; and of this surplus the Company acknowledge the existence at the period to which the account extends.

Assuming the perfect accuracy of the account of Profit and Loss, it shows the following results:

The average Profit of the India Trade for the first five years of the period in question was 364,693 *l.*

The average Loss of the India Trade for the second five years was 116,678 *l.*, and for the third five years 303,757 *l.*

The average Profit of the China Trade for the first five years of the period was 1,525,799 *l.*; for the second five years, 875,432 *l.*, and for the third five years, 625,910 *l.*

The average Profit on the India and China Trade, for the fifteen years, was 1,009,047 *l.* per annum, and of all other sources of Profit 359,564 *l.* per annum.

Of the Commercial Profits of the Company from 1814–15 to 1828–29, 4,923,021 *l.* have been directly applied to Territorial purposes, to the liquidation of Indian Debt, or in a manner that operated to the prevention of its increase.

Those Profits include the sum of 1,536,078 *l.*, the amount of interest, at the rate of the Home Bond Debt, on advances from the Commercial to the Territorial branch. This sum of 1,536,078 *l.* is chargeable upon the Indian Revenue, but hitherto it has not been introduced into the Territorial Accounts; until it is so introduced, it cannot be regarded otherwise than as a virtual application to Territorial purposes of so much of the Surplus Commercial Profit of 2,724,013 *l.* above-mentioned.

The Board have lately determined that Interest upon the Surplus Profits remaining in the Company's hands shall be deducted from the 1,536,078 *l.* The reduction consequent on this determination has precisely the same effect as would have resulted from the specific appropriation to the Territory of so much Surplus Commercial Profits as is equal to the difference between the Board's balance of Interest, and that resulting from the principle of calculation adopted by the Court.

It is not within the scope and intention of the present Report to inquire into the relative positions of the two branches of the Company's affairs antecedently to the commencement of the present Charter.

It may not, however, be altogether useless to observe, that all the Statements which have heretofore been drawn out with a view to this inquiry differ materially from each other, as well in point of principle as in their details and results; and show the extreme difficulty, or rather the impossibility, of arriving at any certain conclusion, upon a point of which the accounts from which the Statements are drawn do not afford either the perfect illustration or the proof.

In order to show the insufficiency of those Statements for the objects which the framers of them had in view, little more is necessary than to compare them with each other.

The first is that contained in the Third Report of 1811–12:

This, "by stating on the one side the advances made by India for the immediate account of England, and on the other side the disbursements made by England for the immediate account of India," shows a balance in favour of England, from 1792–3 to 1808–9, of 1,629,701 *l.*

The next is Mr. Langton's Statement, p. 262, *et seq.* Rep. 1831:

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This proceeds upon a principle very different from that of the former. On one side of this Statement is placed the amount derived from Revenue, Loans, &c.; on the other, the charges and other outgoings paid in India and in England, and the annual augmentation of cash and bills in the Indian treasuries. Whatever cannot be otherwise accounted for is supposed to have been paid to, or received from, the Commercial Department. But as in the early part of the 17 years which his inquiries comprehend, the balance of supplies was greatly in favour of the Territory, he has drawn up an interest account at the Indian rates, between the two branches, the balance of which, on the 30th April 1809, is 5,175,490*l.* against Commerce.

The items of which Mr. Langton's Statement is composed, and those of the Third Report, are contrasted in the following Statement:

Third Report.		£.	Mr. Langton.		£.
Money borrowed at interest between 1792–3 and 1808–9 - - - -		19,959,897	Money borrowed at Interest - - -		19,959,857
			Floating Debt - - - - -		1,709,824
Money received on deposit, &c. within the same period - - - - -		945,297			21,669,721
		20,905,194			
Increase of Cash in the Indian Treasuries - - - -	£. 5,614,494		Increase of Cash and Bills in the Indian Treasuries - -	£. 5,564,644	
Increase of other Assets arising out of the foregoing funds, and not included in Charges	1,966,611		Treasure in *transitu* - -	717,561	6,282,205
					15,387,516
Treasure in *transitu* - -	717,561	8,298,666			
		12,606,528			
Due to the Commercial Department -		1,629,701	Due to the Commercial Department -		1,638,135
	£.	14,236,229		£.	17,025,651
Excess of Political Charges in India from 1792–3 to 1808–9 - - - -		5,078,015	Excess of Charge in India - - -		5,078,015
Advances on account of Ceylon, &c. not included in the Indian Charges - -		1,661,345	Advances on account of Ceylon, &c. -		1,661,345
Payments to the Creditors of the Nabob of Arcot and the Rajah of Tanjore -		1,122,997	Payments to the Creditors of the Nabob of Arcot and Rajah of Tanjore - -		1,122,997
Losses between the Presidencies, and increase of Dead Stock in India - -		1,534,831	Losses between the Presidencies and increase of Dead Stock - - -		1,534,831
		9,397,188			9,397,188
Advances for supply of England - -		276,926	Bonds paid in England on account of the Nabob of Arcot and Rajah of Tanjore - -	£. 232,194	
Further Debt to England, as follows:			Stores exported to the Presidencies Bencoolen and St. Helena, Appx. 35, 4th Rep.	6,033,165	
Balance of Supplies -	£. 3,004,391		Sums paid in England, supposed Territorial - -	6,087,586	
Charges paid in England, supposed Territorial - -	6,193,049		Balance paid on Chinsurah cause - - - -	61,522	
	9,197,440			12,414,467	
Deduct, Balance of Account received from His Majesty's Government - - - -	4,651,460*		Deduct, Balance received from Government - - - -	4,786,004	
		4,545,980			7,627,86
		14,220,094			
Unaccounted for - - - - -		16,135			
	£.	14,236,229		£.	17,025,65

* Debt to England - - - - - - - - - £. 4,545,980
Payments in India for Charges not added to Invoices - 2,916,279

Leaving due to England - - £. 1,629,701

The Balance in favour of the Commercial Department is stated in the Third Report to be 1,629,701 *l.*; Mr. Langton makes it 1,638,135 *l.*

This approximation is, however, quite accidental; for, in many important items, the two Statements are wholly dissimilar.

Mr. Langton makes the increase of the Floating Debt within the period 1,709,824 *l.*: in the Third Report it is stated to be 945,297 *l.* The difference arises from Mr. Langton having overlooked the consideration, that, of the above-mentioned sum of 1,709,824 *l.* the sum of 764,527 *l.* was not money received into the Treasury, and therefore an available asset, but consisted of arrears of allowances, &c. in the Civil and Military Departments, due but not paid.

Of the 20,905,194 *l.* received into the Indian Tresuries, 1,966,611 *l.* were paid, according to the Third Report, for assets, the outlay for which is not included in the Indian Charges: of this application of part of the funds Mr. Langton takes no notice. Of those funds 3,193,205 *l.* were, according to the Appendixes 26 and 27, Third Report, disbursed on account of the Commercial Branch: Mr. Langton makes the advances and disbursements in India on the same account 5,989,733 *l.*

The Third Report says, that the sum of 4,822,906 *l.* was the Balance of Receipts and Payments in England on account of India: Mr. Langton makes this Balance 7,627,863 *l.*

Thus it appears that the two Statements are utterly irreconcileable with each other, and the approximation of the results, to which Mr. Langton has adverted in his Evidence, is purely accidental.

The two next Statements are those of Mr. Rickards and Mr. Wilkinson. These proceed upon a principle altogether different from that of either of the former. Mr. Langton, in his Evidence, says, that he considers Territory to be the only ostensible party in India, and as standing between the lender of money and Commerce, liable to the lender for principal and interest, but having a claim upon Commerce *pro tanto*. Mr. Rickards and Mr. Wilkinson, on the contrary, regard Commerce as the only ostensible party. The distinction, at first sight, may appear unimportant: in reality, however, it is not so. According to Mr. Langton's principle, the loss of interest occasioned by the necessity of constantly keeping a very large sum of money in the Indian Treasuries is sustained by the Territory. Mr. Rickards and Mr. Wilkinson fix this loss upon Commerce.

When it is necessary or expedient to advance a large sum of money in India on account of His Majesty's Government, Mr. Langton imposes the task of raising the necessary funds for that purpose upon the Territorial, Mr. Rickards and Mr. Wilkinson upon the Commercial Department. And whatever claims on this head are ultimately rejected by the King's Government, Mr. Langton allows, together with the consequent loss of interest, to remain as an outgoing and loss to the Territory; Mr. Rickards and Mr. Wilkinson as an outgoing and loss to the Commerce. In short, Mr. Langton makes Territory the banker to Commerce; Mr. Rickards and Mr. Wilkinson makes Commerce the banker to Territory.

The latter, therefore, might, with perfect consistency, allow that Mr. Langton's account would be in the main correct, if he would charge to Commerce, and take credit to Territory, for the following sums, together with interest thereon, at the Indian rates, to the 30th April 1809, as having been paid on account of the Company's Trade.

	£.	£.
Advances for the capture and maintenance of Ceylon and the Eastern Islands, not included in the Indian charges - - - - -		1,661,345
Payments to the creditors of the Nabob of Arcot and the Rajah of Tanjore - - - - - - - - - - - - -		1,122,9
Difference between the debits and credits of the different Presidencies - - - - - - - - - - - -	873,403	
Losses at the several Presidencies - - - - - - -	461,428	
Increase of Dead Stock in India, purchased by Indian funds -	200,000	
		1,534,831
Bonds paid in England to the creditors of the Nabob of Arcot and the Rajah of Tanjore - - - - - - - - - - - -		232,194
Stores exported to the Presidencies Bencoolen and St. Helena - -		6,033,165
Cash and Bills held by the Territorial on account of the Commercial Treasury - - - - - - - - - - - - - -		6,282,205
Deduct:		
Sums received from Government in liquidation of Advances - -		4,786,004
	£.	12,080,733

The difference between Mr. Langton and Mr. Wilkinson turns mainly upon the sums above-mentioned. The former treats the whole as a charge upon Territory, the latter regards the whole as a charge upon Commerce.

This sum of 12,080,733 *l.*, accumulating at compound interest at the Indian rates, would probably amount, in 1828, to 52,172,177 *l.*, or thereabouts, with which, according to Mr. Wilkinson, the Territory has been improperly burthened.

Mr. Wilkinson's Tables (A.) and (B.) are continued to the 30th April 1828. According to Table (B.), the Territorial Payments, including Interest, between 1808–9 and 1827–8, exceeded

Appendix, No. 2.

Report on the Financial Accounts of the East Indina Company.

exceeded the Receipts by the sum of 16,576,570*l.* By the same Table it appears that the increase of Debt within that period was 16,947,711 *l.**. Upon this showing it cannot be alleged that Commerce received any assistance from Territory during those 19 years. The mischief must have been done, therefore, and the wrong committed, between 1794 and 1809; and if it could be conceded to Mr. Wilkinson that the loss of interest occasioned by the necessity of keeping, as well before as since the separation of Accounts in 1814, a large balance of cash in the Territorial Treasuries of India, ought to be sustained by the Commercial Branch, in addition to the loss resulting from the dormant balances in the Commercial Treasuries of India and the Treasury at home; if it be further conceded to him, that the advances for the capture of Ceylon and the Eastern Islands, the payment to the Creditors of the Nabob of Arcot and the Rajah of Tanjore, the increase of dead stock in India, and the differences in the Accounts between the different Presidencies, amounting altogether to between four and five millions, were a charge upon the Company's Trade, it might be admitted that, though there are mistakes and omissions in his Statements, he has succeeded in making out his main position, namely, that the Debt of India has been mainly incurred in support of the Company's Commerce.

But these concessions cannot be made. The payments above-mentioned, and the necessity of having constantly a floating balance of six to eight crores in the Territorial Treasuries of India, originated in Territorial and Political causes, and not in the wants of Commerce. Those payments and that necessity are quite sufficient to account for the increase of the Indian Debt since 1793, without supposing that any part of its produce has been applied to the augmentation of the Company's Commercial property. The augmentation of that property since 1793 appears to have resulted from the gradual accumulation of Commercial profit, together with the increase of subscribed capital at that time authorized.

India Board,
20th July 1832.

James Pennington.

ACCOUNTS REFERRED TO.

BALANCES.

	£.	£.		£.
Revenue and Charge, No. 1 - - -		18,410,141	Supplies to and from London, No. 4 - -	4,580,197
Commercial Branch, No. 3 - - -		1,543,619	Debt incurred - - - - - -	17,289,864
His Majesty's Government, No. 2 - -		3,019,869	Deferred Items, No. 5 - - - -	3,587,076
Differences between the Presidencies - - - - - -	421,795			
Ditto at Madras - - -	289,968			
		711,763		
Assets, increase of Cash - - - -		1,771,745		
	£.	25,457,137	£.	25,457,137

No. 1.—Revenue and Charge.

	£.		£.	£.
To Subordinate Settlements; Expense of Bencoolen and Prince of Wales's Island -	2,072,287	By Balance, Indian Surplus, viz.		
To St. Helena; Net Charge, including all supplies from England and India - -	1,576,370	Bengal surplus - - -	£. 28,374,534	
To Commercial Branch; Sundry payments in England, exclusive of Pay-office demands	13,074,703	Madras deficit - £. 3,086,384 Bombay ditto - 15,983,739	19,070,123	
To Ditto; Political Stores - - -	7,316,594		9,304,411	
To Ditto; Pay-office claims since 1822, paid in cash - - - - - - -	1,368,610	Deduct, Unadjusted Military Advances at Bombay, considered as a charge - - - -	240,123	
To His Majesty's Government; Pay-office claims 1814 to 1822 - - - -	2,065,805			9,064,228
		By Balance - - - -		18,410,141
	£. 27,474,369		£.	27,474,369

* Mr. Wilkinson has fallen into the same mistake as Mr. Langton with regard to the arrears of allowances, &c. included in the floating debt.

Subordinate Settlements.

	£.		£.	£.
To Balance; Supplies to Bencoolen and Prince of Wales's Island - - -	2,447,321	By Commercial Branch:		
		Supplies to Commerce at Bencoolen - - - -	338,651	
		Prince of Wales's Island -	36,383	
				375,034
		By Revenue and Charge - - -		2,072,287
	2,447,321		£.	2,447,321

St. Helena.

		£.		£.
To Commercial Branch:				
Miscellaneous Expenses paid in London - - -	£. 109,903		By His Majesty's Government - -	950,927
Territorial Stores from England	919,180		By Ditto - - - - - - -	121,076
Ditto, from China and the Cape	339,005		By Commercial Branch; Supplies to Commerce - - - - - - -	13,948
Bullion from London - -	87,713			
Bills on London - - -	1,005,830	2,561,631	By Revenue and Charge - - -	1,576,370
To Supplies from India - -		100,690		
	£.	2,662,321	£.	2,662,321

No. 2.—His Majesty's Government.

	£.		£.	£.
To Deferred Account; balance due 1st May 1814 - - - - - - - -		2,112,113	By Revenue and Charge; Pay-office claims 1814 to 1822 - - - - - -	2,065,805
To Supplies to and from London; Balance of Disbursements in India -	1,362,015		By Supplies, London; Bills remitted to the Company - - - - - -	1,362,015
	1,869,238	3,231,253	By ditto; other payments to the Company - - -	739,219
To Commercial Branch; Proceeds of Cinnamon since 30 April 1822 - - -		29,054	By Cash - - - -	691,537
To St. Helena; Extra expenses - -		950,927	By Molucca Spices - -	634,031
To ditto - - - ditto - not brought forward in 1822 - - - - - -		121,076	By Spices since 1822 - -	159,805
To Commercial Branch; Cash Payments on account of Loan of 1812 - - -		1,717,172		2,224,592
			Deduct Payments by the Company:	
			Disbursements in England - -	332,490
			Freight of Stores -	16,027
			Proceeds of Spices	254,979
				603,496
				1,621,096
			By Supplies, London; Bullion from China	23,628
			By Deferred Account; Miscellaneous Claims, Rep. 1831, p. 759 - - -	34,176
			By ditto; Demands of Goverment, prior to 1829, adjusted since - - - -	35,006
			By Balance - - - £.	*3,019,869
Balance - - - £.		8,161,595	£.	8,161,595

* Balance - - - - -	£.	3,019,869
Loan of 1812 - - - -		3,017,172
Short Adjustment - - - -	£.	2,697

No. 3.—Commercial Branch.

		£.
To Balance of Supplies to the Commercial Branch in India - - - -		30,364,290
To Subordinate Settlements:		
Supplies to Commerce at Bencoolen - - -	£. 338,651	
Prince of Wales's Island -	36,383	
		375,034
To Deferred Account; Short debit for Supplies - - - - - - -		129,919
To St. Helena; Commercial Supplies -		13,948
£.		30,883,191

		£.
By Supplies to and from London:		
Bills drawn for effects of deceased Officers		428,013
By ditto, Bills included in London Political Charges general, being payments made in England for principal and interest of loan property, in cases where the transmission of Bills of Exchange to the parties has been delayed -		41,438
By ditto, Carnatic fund	£. 1,685,051	
Advances to Civil and Military Funds recovered -	1,117,846	
Iron Bridge - - -	28,918	
Annuities to Civil Servants	25,343	
	2,857,158	
Less, Miscellaneous advances and disbursements, including Lord Clive's Fund - -	188,917	
		2,668,241
By Deferred Account;		
Short credit, Civil and Military Funds - - -	3,657	
Over Debit, Lord Clive's Fund, &c. - - -	124,627	
Bills drawn from Bencoolen and Prince of Wales's Island - - - -	17,597	
	145,881	
Deduct,		
Over credit, Carnatic Fund - - £. 5,064		
Iron Bridge - - 3,779		
Annuity Fund - - 2,922		
	11,765	
		134,116
By St. Helena:		
Miscellaneous expenses paid in London - - -	109,903	
Territorial Stores from England - - - -	919,180	
Ditto from China and the Cape - - - -	339,005	
Bullion from London -	87,713	
Bills on London - -	1,005,830	
		2,561,631
By Revenue and Charge:		
Sundry Payments in England, exclusive of Pay-office demands - -	13,116,141	
Deduct,		
Bills included in Political Charges general, credited above - - - -	41,438	
		13,074,703
By ditto, Pay-office claims since 1822, paid in cash - - - - -		1,368,610
By ditto, Political Stores - - -		7,316,594
By His Majesty's Government:		
Payment on account of loan of 1812 -		1,717,172
By ditto, for proceeds of Cinnamon since 30th April 1822 - - -		29,054
By Balance - -		1,543,619
£.		30,883,191

No. 4.—Supplies to and from London.

		£.
To Deferred Account: Bills not due 1st May 1829 - - - - - -		1,152,966
To ditto - - Treasure, per Stirling Castle		324,015
To Commercial Branch: Bills drawn for effects of deceased Officers - - -		428,013
To ditto - - Bills charged in London, Political Charges general - - -		41,438
To His Majesty's Government: Bullion from China - - - - - -		23,628
To Commercial Branch:	£.	
Carnatic Fund - - -	1,685,051	
Advances, Civil and Military, funds recovered - -	1,117,846	
Iron Bridge - - - -	28,918	
Annuities to Civil Servants -	25,343	
		2,857,158
To Deferred Account:		
Copper coins - - -	28,284	
Stamp, Bhurtpore Prize -	25,630	
Private Certificates - 14,290		
Less, Charter-party and other Payments - 11,613		
	2,677	
Family remittances, Bombay -	1,205	
Miscellaneous - - -	32,235	
		90,031
To ditto - - Surplus Profits - -		2,256,182
To His Majesty's Government: Bills remitted - - - - - - -		1,362,015
To ditto - - other Payments to the Company - -	739,219	
Cash - - - - - -	691,537	
Molucca spices - - -	634,031	
Spices since 1822 - -	159,805	
	2,224,592	
Deduct Payments by the Company:		
Disbursements in England - £. 332,490		
Freight of stores - 16,027		
Proceeds of spices - 254,979		
	603,496	
		1,621,096
		10,156,542
To Balance - - - -		4,580,197
	£.	14,736,739

		£.
By Balance - - - - - - -		9,041,717
By Deferred Account: Difference of exchange on Bills drawn - - -		213,515
By ditto - - Bills drawn before 1814 -		1,396,913
By ditto - - Loss on consignment of Treasure - - - - - - -		612,184
By His Majesty's Government: Balance of Disbursements in India	£. 1,362,015	
	1,869,238	
		3,231,253
By Commercial Branch: Miscellaneous Advances and Disbursements, including Lord Clive's Fund - - - -		188,917
By Deferred Account: Charges on Bullion		5,067
By ditto - - Balance of payment for spices		37,735
By ditto - - Difference in Bills - -		9,438
	£.	14,736,739

No. 5.—Deferred Items.

		£.
Difference of Exchange between the Board's Rates, and the Rates at which Bills were actually drawn - - -		213,515
Bills drawn in India before 1st May 1814, which became due in London after that date - - - - - - -		1,396,913
Loss on consignment of Treasure:		
Cost, at the Board's Rates £.	3,855,003	
Produce in England - -	3,242,819	
		612,184
Difference between the Debits and Credits of London and India, in the following items:		
Short credit by India, Civil and Military Funds - - -	£. 3,657	
Over debit, Lord Clive's Fund, &c. - - - - - -	124,627	
Bills drawn from Bencoolen and Prince of Wales's Island -	17,597	
	145,881	
Deduct,		
Over-credit, Carnatic Fund - - -	5,064	
Ditto, Iron Bridge -	3,779	
Ditto, Annuity Fund	2,922	
	11,765	
		134,116
Miscellaneous claims of His Majesty's Government, Rep. 1831, p. 759 - -		34,176
Demands of Government prior to 1829, adjusted subsequently - - -		35,006
Charges on bullion - - - -		5,067
Balance of payment to Government for spices, (No. 9, Commercial Series) - - -	292,714	
Allowed in account - -	254,979	
		37,735
Difference in amount of Bills debited and credited between India and London -		9,438
		2,478,150
To Balance - - -		3,587,076
	£.	6,065,226

		£.
Treasure per Stirling Castle, shipped before 1st May 1814 - - -		324,015
Items credited by India, not charged by London: viz.		
Copper Coins - - -	£. 28,284	
Bhurtpore Prize Stamp -	25,630	
Private certificates	14,290	
Deduct,		
Charter-party, and other Payments -	11,613	
	2,677	
Family remittances, Bombay	1,205	
Miscellaneous - - -	32,235	
		90,031
Short debit of Supplies to the Commercial Branch - - - - -		129,919
Surplus Profits - - - - -		2,256,182
His Majesty's Government, Balance due 1st May 1814 - - - - -		2,112,113
Bills not due 1st May 1829 - - -		1,152,966
£.		6,065,226

— No. 6. —

Debt.

By Balance - - - - £. 17,289,864

Differences between the Presidencies.

To Balance - - - - - - - - - - - £. 421,795

Assets.

	£.
To Balance, Cash - - - -	1,771,745
Madras - - - - - -	289,968
	£. 2,061,713

No. 7.—Revenues and Charges of *Bengal* from 1814–15 to 1829.

—	REVENUES.	CHARGES.	SURPLUS.	DEFICIT.
	£.	£.	£.	£.
1814–15 - -	11,237,498	8,876,581	2,360,917	
1815–16 - -	11,415,799	9,487,638	1,928,161	
1816–17 - -	11,967,259	9,796,974	2,170,285	
1817–18 - -	11,769,552	10,281,822	1,487,730	
1818–19 - -	12,399,475	10,677,015	1,722,460	
1819–20 - -	12,224,220	10,826,734	1,397,486	
1820–21 - -	13,518,968	10,688,439	2,830,529	
1821–22 - -	13,361,261	10,356,409	3,004,852	
1822–23 - -	14,169,691	10,317,196	3,852,495	
1823–24 - -	12,950,308	10,912,710	2,037,598	
1824–25 - -	13,484,740	12,620,179	864,561	
1825–26 - -	13,121,282	13,973,499	- - -	852,217
1826–27 - -	14,767,238	13,405,152	1,362,086	
1827–28 - -	14,944,713	13,486,879	1,457,834	
1828–29 - -	14,789,979	12,040,222	2,749,757	
£.	196,121,983	167,747,449	29,226,751	
Deduct Deficit - - - -			852,217	
Total Net Revenue - - - £.			28,374,534	

No. 8.—Revenues and Charges of *Madras*.

—	REVENUES.	CHARGES.	SURPLUS.	DEFICIT.
	£.	£.	£.	£.
1814–15 - -	5,322,164	5,189,412	132,752	—
1815–16 - -	5,106,107	5,261,404	- - -	155,297
1816–17 - -	5,360,220	5,142,553	217,667	—
1817–18 - -	5,381,307	5,535,816	- - -	154,509
1818–19 - -	5,361,432	6,006,420	- - -	644,918
1819–20 - -	5,407,005	5,825,414	- - -	418,409
1820–21 - -	5,403,506	5,700,466	- - -	296,960
1821–22 - -	5,557,028	5,500,876	56,152	—
1822–23 - -	5,585,209	5,229,202	356,007	—
1823–24 - -	5,498,764	6,398,856	- - -	900,092
1824–25 - -	5,440,742	5,789,333	- - -	348,591
1825–26 - -	5,714,915	6,056,967	- - -	342,052
1826–27 - -	5,981,681	5,634,322	347,359	—
1827–28 - -	5,347,838	6,188,127	- - -	840,289
1828–29 - -	5,575,049	5,670,183	- - -	—
£.	82,042,967	85,129,351	1,109,937	4,196,321
Deduct Surplus - - - - -				1,109,937
Total Net Charge - - - £.				3,086,384

Appendix, No. 2.

Report on the Financial Accounts of the East India Company.

No. 9.—Revenues and Charges of *Bombay*.

—	REVENUES.	CHARGES.	SURPLUS.	DEFICIT.
	£.	£.	£.	£.
1814–15 - -	857,080	1,717,144	- - -	860,064
1815–16 - -	872,046	1,986,444	- - -	1,114,398
1816–17 - -	895,592	1,946,118	- - -	1,050,526
1817–18 - -	1,392,820	1,956,527	- - -	563,707
1818–19 - -	1,720,537	2,597,776	- - -	877,239
1819–20 - -	2,161,370	3,204,785	- - -	1,043,415
1820–21 - -	2,438,960	3,299,170	- - -	860,210
1821–22 - -	2,883,042	3,667,332	- - -	784,290
1822–23 - -	3,372,447	4,275,012	- - -	902,565
1823–24 - -	2,789,550	3,264,509	- - -	454,959
1824–25 - -	1,785,216	3,305,982	- - -	1,520,766
1825–26 - -	2,262,393	4,032,988	- - -	1,770,595
1826–27 - -	2,618,549	4,000,552	- - -	1,382,003
1827–28 - -	2,579,905	4,062,566	- - -	1,482,661
1828–29 - -	2,357,463	3,673,804	- - -	1,316,341
£.	30,986,970	46,970,709	Total Net Charge - £.	15,983,739

No. 10.—PARTICULARS of Territorial Payments in *England*, chargeable on the Revenues of *India*, from 1814–15 to 1828–29, inclusive.

		£.
Officers' pay - - - - - - - - - - - - - -		3,020,740
Passage of military, and supplies to them on the voyage - - - - -		1,025,485
Political freight and demorage, exclusive of amount charged on exports - -		1,649,699
Interest on loan of £. 2,500,000 from the Public in 1812 - - - - -		790,813
Political charges general, exclusive of advances recoverable in India - - -		4,460,370
Payments at China and the Cape to military officers, His Majesty's navy, &c. -		109,833
Sundry expenses on account of Bencoolen - - - - - - - -		246
Ditto - - ditto - - - Prince of Wales Island - - - - - -		9,889
Demands of Pay-office General, on account of King's troops serving in India:		
Paid in cash - - - - - - - - -	1,368,610	
Passed in account with His Majesty's Government - -	2,065,808	
		3,434,415
Retiring pay, pensions, &c. of King's troops - - - - - - - -		420,002
Tanjore debts, charges of the commission - - - - - - - -		7,324
Off-reckoning funds - - - - - - - - - - - -		1,330,880
Expense of naval force employed in India - - - - - - - -		44,749
Civil establishment of India, absentee allowance and passage money - - -		80,229
Amount paid under arrangement entered into with the government of Persia -		124,444
	£.	16,509,118

— No. 11. —

—	Revenues of Bengal, Madras, and Bombay.	Charges of Bengal, Madras, and Bombay, including Interest.	Indian Surplus.	Net Supplies to Bencoolen, Singapore, Prince of Wales' Island, and Malacca.	Net Charge of St. Helena.	Remaining Indian Surplus.	Cost of Political Stores.	Other Territorial Payments.	SURPLUS REVENUE.	SURPLUS CHARGE.	—
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	
1814–15	17,416,742	15,783,137	1,633,605	134,727	92,087	1,406,791	465,238 27,661	1,076,884	- - -	102,992	1814–15.
1815–16	17,393,952	16,735,486	658,466	103,975	97,705	456,786	363,496 8,200	1,124,636	- - -	1,039,546	1815–16.
1816–17	18,223,071	16,885,645	1,337,426	116,878	97,705	1,122,843	497,203 10,945	983,700	- - -	369,005	1816–17.
1817–18	18,543,679	17,774,165	769,514	177,648	97,705	494,161	275,039 4,452	1,007,335	- - -	792,665	1817–18.
1818–19	19,481,444	19,281,211	200,233	102,828	97,705	[Surplus Charge, 300]	312,181 3,073	1,064,505	- - -	1,380,059	1818–19.
1819–20	19,792,595	19,856,933	[Surplus Charge, 64,338]	145,571	97,705	[Surplus Charge, 307,614]	371,412 1,545	1,081,093	- - -	1,761,664	1819–20.
1820–21	21,361,434	19,688,075	Surplus Revenue, 1,673,359	122,835	97,705	1,452,819	364,714 385	970,458	117,262	- - -	1820–21.
1821–22	21,801,331	19,524,617	2,276,714	156,300	97,705	2,022,709	321,371 8,675	1,081,965	610,698	- - -	1821–22.
1822–23	23,127,347	19,821,410	3,305,937	208,244	120,093	2,977,600	365,764 5,698	862,999	1,743,139	- - -	1822–23.
1823–24	21,238,622	20,556,075	682,547	121,906	112,268	448,373	395,276 8,215	891,973	- - -	847,091	1823–24.
1824–25	20,710,698	21,715,494	[Surplus Charge, 1,004,796]	190,827	109,449	[Surplus Charge, 1,305,072]	414,181 5,002	1,236,892	- - -	2,961,147	1824–25.
1825–26	21,098,590	24,063,454	[2,964,864]	52,080	110,413	[Surplus Charge, 3,127,357]	740,728 9,329	1,076,504	- - -	4,953,918	1825–26.
1826–27	23,367,468	23,040,026	327,442	167,035	114,500	45,907	1,111,792 12,333	1,318,102	- - -	2,396,320	1826–27.
1827–28	22,872,456	23,737,572	[Surplus Charge, 865,116]	100,864	120,571	[Surplus Charge, 1,086,551]	805,016 4,452	1,255,125	- - -	3,151,144	1827–28.
1828–29	22,722,491	21,384,209	Surplus Revenue, 1,338,282	170,569	113,054	1,054,659	449,603 14,883	1,517,802	- - -	927,629	1828–29.
£.	309,151,920	299,847,509	9,304,411	2,072,287	1,576,370	5,655,754	7,317,862	16,549,973	2,471,099	20,683,180	
										2,471,099	
									£.	18,212,081	

		£.
Surplus Charge, as above - - - - - - - - -		18,212,081
Deduct: Overcharge of Political Stores - - -	1,268	
Ditto - Territorial Payments in England -	40,855	
		42,123
		18,169,958
Military Advances outstanding at Bombay - - - - - -		240,183
TOTAL NET CHARGE - - - £.		18,410,141

(The Words and Figures between [ ] were in *Red Ink* in the MS.)

II.
FINANCE.

MEMORANDUM ON THE FINANCES OF INDIA, REFERRED TO IN THE FOREGOING REPORT.

Appendix, No. 2.

Memorandum on the Finances of India.

IN an inquiry concerning the Financial Affairs of the East India Company, it is not necessary, with reference to the points which it is at present intended to consider, to carry back that inquiry to a very remote period. With respect to one important consideration it may, however, be observed, that whether, previously to the year 1793, the Company's Trade benefited at the expense of the Territory, or the Territory at the expense of the Trade, the advantage obtained by the one cannot now be so clearly and indisputably established, as to constitute, on that ground alone, a precise and definite charge against the other. To lay open the accounts of that remote period, and to renew the discussion of a question with respect to which certainty is not now attainable, would, therefore, with a view to the settlement of that question on the ground of a clearly ascertained account, be an useless inquiry. Such an adjustment, whenever it shall be deemed necessary, must, it is to be apprehended, be made upon other grounds and considerations than those of a financial statement, which, however high the authority from which it emanates, is open to objection and incapable of proof.

From 1793 to 1814 the case is in some respects different. The 53 Geo. 3, s. 64, directed that all Territorial receipts and disbursements should be kept distinct from those purely Commercial. A plan of arrangement for the accomplishment of this object was submitted by the Court of Directors to the Commissioners for the Affairs of India soon after the passing of the Act, and, with certain amendments, finally approved. Upon that occasion, however, the division and apportionment of debts and assets do not appear to have been made, either absolutely or conditionally, upon any distinct and intelligible principle. Hence it becomes necessary to enter into some investigation of the Company's affairs during the intervening period: that is, from 1793 to 1814.

One of the principal objects of the Parliamentary Committees of 1811 and 1812 appears to have been to account for the unfavourable variation of the Company's affairs from 1792-3 to 1809-10. The Third Report confines this inquiry to the receipt and application of funds in India. According to a Statement (No. 26) appended to that Report, the extraordinary funds received into the Indian treasuries, within that period, amounted to 52,309,424 *l.*, the outgoings to 52,293,289 *l.*, leaving a difference to be accounted for of 16,135 *l.* The Fourth Report extends the inquiry to all the Company's affairs, domestic as well as foreign; and, by an adjustment of debts and assets, shows a deterioration of the Company's affairs, from 1793 to 1810, of 11,020,566 *l.* This it is attempted to account for by a statement of cash disbursements in Appendix No. 51.

It was not the object of these inquiries to ascertain, by a searching and accurate valuation of assets, what, at that time, was the actual condition of the Company's affairs. The problem proposed to be solved related solely to the receipt of all funds, of whatever description and from whatever source arising, into the several treasuries, and the subsequent application of them. In this view, a debt due to the Company, whether good or bad, was obviously, if it originated in a direct application of part of the funds to be accounted for, either to be considered as an asset, or written off and added to the charges. On the other hand, no debt due to the Company, nor any portion of existing stock, was to be so considered, unless that debt or the cost of that stock originally constituted a portion of the funds to be accounted for.

The accuracy of a statement made upon this principle obviously depends upon the correctness of the adjustments, and the correct introduction into it of every possible item of receipt and expenditure. But in such a process, as there is no check, there can be no certainty. The difference of 55,192 *l.* noted at the end of the statement, may possibly be the result of errors and omissions of considerable magnitude on both sides of the account. After all the care and all the industry employed upon that occasion, it is not however to be expected that a more satisfactory result up to that period can now be obtained.

3d Rep. App. No. 2.
4th Rep. App. No. 59.

Among the accounts which formed the basis of this Statement, and which are appended to the Fourth Report, are two of "stock by computation" for 1793 and 1810; the former exhibits a balance in favour of the Company, exclusive of their capital stock, of 1,956,866 *l.* This balance includes 951,561 *l.* of revenue balances not received, and 1,150,172 *l.* arrears of allowances, &c. due in the civil and military departments not paid. It likewise includes 840,000 *l.*, the estimated profit on goods in the warehouses. These items (being matters of future revenue and of future charge) and 1,742,022 *l.* the amount of debts allowed to be bad, should be introduced into the account of stock to show its actual condition at that period. When introduced, a balance is shown against the Company, on the 30th April 1793, of 426,545 *l.*; to which is to be added 443,632 *l.* for sundry claims on Government, written off under directions of Act 33 Geo. 3, c. 52, s. 127, making 870,177 *l.*

The

Appendix, No. 2.
Memorandum on the Finances of India.

The account of stock by computation for 1810, although differing materially from that laid before Parliament on the 18th April 1810, was, it may be presumed, carefully examined and accurately adjusted. It exhibits a balance against the Company, exclusively of their capital stock, of 6,025,595*l.*, from which is to be deducted 715,561 *l.* the amount of treasure in transitu between Madras and Bengal, not included in the quick stocks of either place, leaving a balance of 5,309,944 *l.* This balance includes 1,798,940 *l.* revenue balances not received, and 191,469 *l.* arrears of allowances, &c. not paid. It likewise includes 1,800,000 *l.* the estimated profit on goods in the warehouses. These items, and 2,617,025 *l.*, the amount of bad debts in India, when introduced into the account of stock, show a balance, on the 30th April 1810, against the Company of 9,611,310 *l.* This is after taking credit for 960,000 *l.* for stores supplied to Government, advances, &c.; which sum of 960,000 *l.*, being wholly objectionable, and not likely to be realized, may be added to the above-mentioned sum of 9,611,310 *l.*, making 10,571,310 *l.*

In order to make a distinct division and apportionment of debts and assets, either conditionally or absolutely, between the two branches of the Company's affairs in 1814, it was necessary, at that period, to have traced this state of the Company's stock in 1810, through the intervening occurrences, to its state at the commencement of the present Charter. This was not done. It seems to have been thought sufficient to direct that all future Territorial and Commercial receipts and payments should be kept distinct from each other, although the appropriation of some of those receipts and payments might, in a great degree, if not altogether, depend upon the principle on which the "stock by computation" was to be separated and apportioned.

As it will be convenient in this inquiry to follow the course suggested by the proceedings of the Legislature, this branch of it may be postponed to the consideration of the Territorial Finances of the Company since the 30th April 1814. It may, however, be observed, that the large augmentation of the Company's Commercial property, from 1793 to 1814, which must have resulted from the gradual accumulation of unappropriated profits, renders an explanation of the principle on which the separation of debts and assets at the latter period was conditionally made, peculiarly desirable.

There is this peculiarity in the Territorial finances of the East India Company, that having no common treasury in which the balance of all receipts and disbursements ultimately centres, the computed financial result of any given period cannot readily be checked and verified by a corresponding result in the balance of cash*. Nor is the difficulty arising from this circumstance removed by a statement of the receipts and disbursements of the separate treasuries; for with respect to those of India, a large amount of floating and unadjusted debits and credits between the different Presidencies, occasions a want of correspondence between the excess or the deficit of receipts and disbursements, and the increase or the diminution of the cash balances. It is true, indeed, that as the balance of those unadjusted debits and credits ought, at the termination of any given period, to agree with the amount at that time actually afloat, that balance may not improperly be considered as an outstanding debt if against, or an outstanding asset if in favour of, the consolidated treasuries, and all difficulty in adjusting the general balance in that way be obviated. The correctness of the amount thus outstanding ought, however, to be checked and verified by comparing it with the amount of the particular items known at the time to be actually afloat.

The Territorial receipts and payments in London cannot, however, be so dealt with. Credit is not given in the Indian books for all the charges paid in England, nor are the remittances to and from India so adjusted between India and London, as to make the debit on the one hand, and the credit on the other, exactly agree.

It is obvious, however, that unless the application of all funds of whatever description that have come into the treasuries be distinctly explained, no satisfactory result can be attained. A number of detached statements, drawn out with a view to illustrate particular objects of inquiry, although intended on the whole to include every item of receipt and disbursement, do not always, in their combined results, preclude all doubt as to the correctness of that result. One important item may, by chance, have been omitted, another twice inserted: nothing is certain, nothing proved. The labours of the Committee of 1811–12, in endeavouring, by a process of this kind, to account for the unfavourable variation of the Company's affairs between 1793 and 1810, led to a result which, although in many respects satisfactory, is by no means clear of uncertainty or free from objection. In examining the Territorial Finances of India since 1814, it is desirable to avoid, if possible, this source of uncertainty and error.

Of the Accounts annually presented to Parliament, there is one entitled "Abstract of the Receipts and Disbursements of the Presidencies of Bengal, Madras and Bombay," respectively

* The circumstance of there being two or more treasurers ought not, perhaps, to create any difficulty, nor would it, if it were not for the use of statements not properly balanced and carried forward.

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respectively. These accounts comprise all receipts and disbursements of whatever description, terminating, in each year, with the balance of cash in the treasury; which balance is regularly carried forward to a similar account for the following year, and form the basis of the books of account from which the account of the annual revenues and charges laid before Parliament is taken. Of themselves, and without reference to the general books of account, they avail but little; but when the several items they contain are arranged and classed under distinct heads, a clear account of ordinary receipts and disbursements is exhibited, which, as the difference between the two must exactly correspond with the difference between the balance of cash at the commencement and its balance at the conclusion of the year, precludes all fear of any omission or inaccuracy except in so far as relates to the correctness of the classification. The heads of account into which these abstract statements may be resolved are the following:

Revenue and Charge:
Debt incurred and paid off:
Account Current with London:
Account Current with the Commercial Branch:
Differences between the Debits and Credits at the different Presidencies:
Sale of Stores at Bengal.

The India accounts of Revenue and Charge do not agree with the statements annually laid before Parliament; the latter being made out upon a different principle. Many adjustments, therefore, are necessary to show their correspondence; but, as whatever adjustment is made, must, in a corresponding degree, affect some of the other heads of account, the adjustment can apply only to the question of classification.

The difference between the debt incurred and the debt paid off, should agree with the difference between the debt as it stood at the commencement, and the debt as it stood at the conclusion of the year. When this is not the case, one of two things may be inferred, either that the cash account is not correct, or that the account of debt is not correct. The former is not to be presumed: when such a discrepancy occurs, it is incumbent therefore on those who keep the account of the debt to explain and to remove it.

The Account Current with London exhibits a large balance against, that with the Commercial branch a large balance in favour of, the Indian treasuries. To produce an agreement between these accounts and that of India with London, is one of the principal difficulties with which the subject of the finances is beset.

The difference between the Debits and Credits of the different Presidencies arises in a great degree, if not altogether, from this circumstance: all the accounts throughout India being made up on the same day (the 30th April) it inevitably happens that considerable funds are on that day afloat between the different Presidencies; which funds are included in the accounts of one of them before it is possible to include them in either of the others. Treasure in transitu, and bills drawn or remitted a few days antecedently to the closing of the quick stocks, are of this description; for the amount of which credit is taken in the consolidated cash account at the conclusion of each year.

The small addition to the annual income, in the Bengal account, resulting from the sale of stores belonging to the Company, does not require particular notice.

The foregoing explanations are necessary to render intelligible the following Statement, which exhibits a summary view of the three Presidencies from the 30th April 1814 to the 30th April 1829.

	S. Rs.		S. Rs.
Cash in the Treasuries of the three Presidencies, 30 April 1814 -	4,70,75,29	Unadjusted debits and credits between the different Presidencies	67,59,996
Difference between debt incurred and paid off - - -	14,22,23,291	Differences in the balances of cash brought forward from year to year in the Madras and Bombay accounts - -	28,88,305
Commissioners for the redemption of debt - - - - -	83,32,246		
Stores sold in Bengal - - -	18,42,451	Supplies to the Commercial Branch in India - - -	25,72,31,744
Surplus Revenue - - -	3,55,62,338		
Account current London - -	9,59,37,438	Cash in the Treasuries of the three Presidencies, 30 April 1829 - - - - -	6,40,93,012
Sicca Rupees	33,09,73,057	*Sicca Rupees*	33,09,73,057

If the Territorial Finances of India terminated here, little more would be necessary than to require such an explanation of the Account Current with London, and of that with the Commercial branch in India, as would lead to an appropriation of the items they contain, or of their equivalents, to the account of Revenue and Charge, and to that of Debt incurred and

and paid off; and it would then be distinctly seen what have been the total receipts, what the total outgoings, what the debt incurred by loans and deposits, and when and to what extent the necessity of replenishing the Indian treasuries in that way existed.

But the Territorial Finances of India do not end here; the Accounts Current with London, and with the Commercial branch, are not adjusted in India, but in London; the claims for advances in England, which the Company, in its commercial character, has upon the territorial treasuries of India, are brought to account in London, without a corresponding adjustment being made in the Indian books. It is true, indeed, that an account between the "Territorial and the Commercial branches of the Company's affairs in respect to territorial and political payments made in England," has been stated; but that account is not in such a form as to show its correspondence with the Indian accounts; nor with such details and classifications, as to exhibit, under their several heads, what Territorial payments made in England remain, at the end of each year, to be added to the Indian charges, or brought into the account of the Indian debt.

The following Statement of the Indian Revenue and Expenditure for the year 1826–27, will serve more distinctly to show the nature of the adjustments which are required to be made.

The Receipts into the Indian Treasuries during the Years 1826–27 were as follows:

	S. Rs.	£.	£.
Bengal: Ordinary and Extraordinary	12,77,63,375 a' 2/3 $\frac{84}{100}$	14,820,551	
Madras - - - - -	4,81,83,715 a' 2/0 $\frac{2}{7}$	5,506,710	
Bombay - - - - -	2,29,91,332 a' 2/3	2,586,524	
			22,913,785
Bengal: Debt incurred - - -	1,45,26,343 a' 2/3 $\frac{84}{100}$	1,685,055	
Madras ditto - - -	7,20,849 a' 2/3 $\frac{3}{7}$	82,382	
Bombay ditto - - -	7,81,412 a' 2/3	87,909	
			1,855,346
Bengal: Balance of Supplies to and from London - - - -	1,00,42,735 a' 2/3 $\frac{84}{100}$	1,164,957	
Madras - - ditto - -	30,57,167 a' 2/3 $\frac{3}{7}$	349,390	
Bombay - - ditto - -	17,04,916 a' 2/3	191,803	
			1,706,150
Political Stores sold at Bengal - - - - - - - -			5,410
Receipts from all sources during the year 1826–27 - - £.			26,480,691
The Balances in the Treasuries on the 1st May 1826 were:			
Bengal - - - - - - - - - - -		3,375,480	
Madras - - - - - - - - - - -		3,046,700	
Bombay - - - - - - - - - - -		1,259,865	
			7,682,045
Making, with the Balance of Cash, an aggregate of - - £.			34,162,736
The Expenditure for the same year was as follows:			
Bengal: Disbursements, including Interest on Debt and Supplies to Subordinate Settlements - -	S. Rs. 12,35,59,167 a' 2/3 $\frac{84}{100}$	14,332,863	
Madras - ditto - - -	5,17,78,254 a' 2/3 $\frac{3}{7}$	5,917,515	
Bombay - ditto - - -	3,56,04,319 a' 2/3	4,005,485	
			24,255,863
Bengal: Balance of Supplies to the Commercial Branch - - -	1,91,14,581 a' 2/3 $\frac{84}{100}$	2,217,290	
Madras - ditto - - -	19,70,890 a' 2/3 $\frac{3}{7}$	225,245	
Bombay - ditto - - -	9,25,004 a' 2/3	104,062	
			2,546,597
Differences between the Debits and Credits of the different Presidencies:			
Bengal - - - - - - - - Cr - -		1,758,272	
Madras - - - - - - - - Cr - -		217,247	
		1,975,519	
Bombay - - - - - - - - Dr - -		1,600,621	
			374,898
			27,177,358
			6,985,378
Leaving a Balance in the Indian Treasuries on the 30th April 1827, of - £.			34,162,736

Appendix, No. 2.

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Or more compendiously, thus:

	£.	£.
Balance of Cash in the Indian Treasuries, 1 May 1826 - - -		7,682,045
Receipts:	£.	
Debt incurred - - - - - - - - -	1,855,346	
Supplies from London - - - - - - -	1,706,150	
Sale of Stores - - - - - - - - -	5,410	
		3,566,906
		11,248,951
Revenue deficit - - - - - - - - -	1,342,078	
Surplus to Commerce - - - - - - -	2,546,597	
Differences between the Presidencies - - - - - -	374,898	
		4,263,573
Treasury Balances, 30 April 1827 - - - £.		6,985,378

The balances requiring adjustment are those of the Accounts Current with the Commercial branch and with London. The correspondence between the former and the credit given in the account between the Territorial and the Commercial branches in England, should, in each successive year, or by subsequent adjustments, be distinctly shown, and the balances of both accounts regularly brought forward.

The Account Current with London comprehends receipts and payments on account of His Majesty's Government, bullion remittances to and from India, and bills of exchange negociated on either side, on account of the principal and interest of the Indian debts.

As all accounts between the Company and the Public were settled and closed up to the 30th April 1822, by a payment to the Company of 1,300,000 *l.*, the payments made on that account, between the 30th April 1814 and the 30th April 1822, over and above 1,300,000 *l.*, should, together with the 1,300,000 *l.*, be added to the Indian charges. If those payments, since 1814, fell short of 1,300,000 *l.*, the difference remains to be added to the Indian revenues; for, if the Territory be charged with whatever of the loan of 2,500,000 *l.* in 1812 remained unliquidated on the 30th April 1814, the Territory must take credit for whatever has been, or may still be, recovered on account of payments made on account of the King's Government antecedently to that period. Whatever have been the receipts and payments on this account since the 30th April 1822, have either been settled to some determinate period, or still remain open. In either case the amount may be adjusted in so far as relates to the Indian income and expenditure, and the balance due or alleged to be due from the King's Government carried forward.

The remaining items in the Indian Account Current with London can be disposed of only by comparing them with the corresponding items in the general books of account at the India House; ascertaining the differences, and carrying those differences, and the surplus Commercial profits hitherto appropriated, to the general account of Indian income and expenditure.

If in the account of revenue and charge, and of the increase and diminution of debt, the Home accounts had followed the same order as those of India, both being separately balanced, and the results aggregated rather than consolidated, the obscurity which at present exists, and the difficulty of obtaining a clear and satisfactory general result, would, it is likely, have been in a great degree if not altogether avoided. The statements of revenue and charge in the printed papers are no doubt in the main correct; but the results they exhibit cannot be made to square with the consolidated results of the Indian register and floating debt, the Indian cash accounts, the London account current between Territory and Commerce, and the amount of surplus Commercial profits hitherto appropriated.

It is evident that the difference between the amount of money borrowed and the amount of debt paid off within any given period, after deducting therefrom or adding thereto, the difference between the cash balance at its balance at the termination of that period, ought to correspond with the balance arising from all other receipts and disbursements. When this correspondence is shown, those other receipts and disbursements may, without the fear of any material item being either wholly omitted or doubly inserted, be given in such a form and with such details as are most suitable to the purpose and occasion for which they are required. Without an account of this kind, no distinct notion can be formed of the annual progress of the Indian debt, or of the probable wants of the Indian treasuries, or of the accuracy of the accounts laid before Parliament.

Appendix, No. 3.

I.—COMMERCIAL.

ACCOUNTS relating to the HOME CONCERN and the COMMERCIAL BRANCH.

No. 1.—View of the Component Parts of the Company's Commercial Capital, as computed on 1 May 1814 - - - - - p. 28

No. 2.—View of the Component Parts of the Company's Commercial Capital, as computed on 1 May 1829 - - - - - - p. 30

No. 3.—An Account of the whole Net Return yielded by the East India Company's Commercial Capital, in each Year from 1814–15 to 1828–29, by investment in Merchandize, or otherwise, with the Amount of Dividends in the same period to the Proprietors of East India Stock, and the Surplus or Deficiency of such Return above or below the Amount of the Dividends; also showing the Amount applied in the same Years, from the Home Funds, to payment of Interest on the Bond Debt, and as Appropriations under the fourth Head of the 57th section of the 53 Geo. 3, c. 155, to Reduction of the Principal of that Debt, and of the India Debt * - - - - - - p. 32

No. 4.—Comparison of the Company's Commercial Capital, as computed at the two periods of 1814 and 1829; with an Explanation of the Amount of such Capital in the latter Year, relatively to that at which it appears in the former, particularly with reference to the Net Return which has been yielded, by its employment in Trade or otherwise, in the intervening period, as shown in No. 3 - - - p. 36

No. 5.—Receipts and Payments of the Home Treasury, from 1 May 1814 to 1 May 1829, as contained in the Accounts annually presented to Parliament - - - - - - p. 38

No. 6.—Statement of Territorial Payments made by the Supracargoes at Canton, and Agent at the Cape of Good Hope, from 1 May 1814 to 30 April 1829, as collected from the Books of Account kept at those Places respectively - - - - - - - p. 40

No. 7.—Statement of the Account between the Territorial and Commercial Branches of the Affairs of the East India Company, in each Year from 1 May 1814 to 1 May 1829; with an Appendix - - - - - - p. 42

No. 8.—Statement to show the Sources from which the Expenditure and Credits contained in the General Account Current between the Territorial and Commercial Branches (No. 7) have been derived - - - - - p. 79

No. 9.—Particulars of the Account between the two Branches of the Company's Affairs (No. 2), in respect to Payments for Bills of Exchange drawn for Interest of India Debt, &c., and Provision of Funds to meet such Payments, under the 55th section of 53 Geo. 3, c. 155, drawn out so as to show the Balance upon this Account, without merging these Transactions yearly (by Transfer) in the Account No. 1 - - - - - - p. 80

No. 10.—Statement exhibiting and explaining, as far as can be done, the Difference between the Account of Issues in India to Commerce, under the 56th section of 53 Geo. 3, c. 155, as kept in India (in Receipt and Disbursement Statements), and the Account, with a similar object, kept in England, from 1814–15 to 1828–29, inclusive - - - - - p. 82

No. 11.—Statement explaining, generally, the Difference of Result exhibited between the Account of "Supplies between India and London" as kept in India, and the Accounts in England, which it was intended should comprise the same Transactions - - - - - p. 83

* An Account of this description was delivered in to the Select Committee of the House of Commons on East India Affairs of 1830, and appears on pages 32 and 33 of the Second Report of that year. That Account was incomplete only as respected some information, which, at the time of its preparation, had not been received from India, but which, being now received, that deficiency is supplied, and the complete result exhibited.

East India House,
6 April 1832.

— No. 1. —

VIEW of the COMPONENT PARTS of the COMPANY'S

DEBTS.	£.	£.	£.
CURRENT DEBTS:			
At Home: Bills of Exchange unpaid from China	221,353		
Customs on all goods, sold and unsold	124,007		
Interest on loans from the Bank	15,300		
Freight and demorage	67,500		
Supracargoes' commission	55,668		
Proprietors of Private Trade	574,000		
Almshouses at Poplar	66,289		
Warehouse contingent fund	27,588		
Warrants unpaid	50,000		
Tea returned by the buyers, and re-sold	971		
Dividends on stock	56,996		
Interest on Bonds (provisionally, the charge being deemed by the Court to be Territorial, as per Letter to Board of Commissioners 10 March 1832)	68,555		
Owing for exports	474,344		
		1,802,571	
Abroad: Debts in the Commercial Department in India	187,021		
Debts owing in China	109,605		
		296,626	
			2,099,197
DEBT DUE TO THE BANK OF ENGLAND:			
For a Loan on Mortgage of the Annuities			700,000
			2,799,197
Balance in favour		£.	19,268,738

Memorandum.—The dead stock in India, in the actual occupation of the Commercial Department on 1st May 1814, not comprised in the above Debts and Credits, amounted, as per Returns received from thence, to the undermentioned sums:

	BUILDINGS.	Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores, &c.	TOTAL.
	£.	£.	£.
Bengal	325,540	35,449	360,989
Madras	38,615	8,594	46,609
Bombay	5,594	53,979	59,573
	369,149	98,022	467,171

Whatever part of the dead stock of the Company existing in 1702, (valued at 400,000 *l.* in Lord Godolphin's award) which remained on 1st May 1814, and which was not then in the occupation of the Commercial Department, having necessarily been created by an expenditure of commercial funds, would form an addition to the Dead Stock above stated.

£. 22,067,935

East India House,
6 April 1832.

— No. 1. —

COMMERCIAL CAPITAL, as computed on 1st May 1814.

CREDITS.			£.	£.
CASH:				
At home: Balance of Cash on 1st May 1814			695,860	
		£.		
Abroad: Cash in the several Commercial Departments in India		156,161		
Ditto in the Treasury at China		94,437		
Ditto in hands of the agent at the Cape of Good Hope		9,326		
			259,924	
				955,784
GOODS AND MERCHANDIZE:				
At home: Value of goods in England unsold, (market prices)		4,521,552		
Value of export goods unshipped		533,308		
			5,054,860	
	£.			
Abroad: Goods and merchandize in the export warehouses in India	1,150,483			
Ditto - for exportation at China	166,155			
		1,316,638		
Ditto - in the import warehouses in India	1,241,202			
Ditto - at China, import goods	6,544			
		1,247,746		
Ditto - at Cape of Good Hope, from India and China	47,230			
Ditto - at Batavia, from Europe	59,860			
		107,090		
			2,671,474	
				7,726,334
FLOATING PROPERTY AND FREIGHT ADVANCED THEREON:				
Cargoes afloat outward			1,493,162	
Consignments to Batavia in 1813–14, from England			101,286	
Cargoes afloat homeward			3,674,517	
Impress and war allowances, paid owners of ships not arrived in England			707,797	
				5,976,762
DEBTS DUE TO THE COMPANY:				
At Home: Amount of goods sold, not paid for: Company's	2,444,522			
Private Trade	400,000			
		2,844,522		
Board of Ordnance, for saltpetre		77,969		
Due from Government, for hemp		528,825		
Due from sundry persons, on loan		12,839		
			3,464,155	
Abroad: Debts owing to the Company in India, including advances for investment		866,760		
Ditto - - China		597,531		
Ditto - - Cape of Good Hope		50,399		
			1,514,690	
				4,978,845
DEAD STOCK (exclusive of Dead Stock in India and China):				
Value of the East India House and warehouses			1,138,000	
Value of ships, sloops and vessels, exclusive of those stationed abroad			84,650	
				1,222,650
DEBT DUE FROM GOVERNMENT:				
East India Annuities, engrafted on the 3 per cent. reduced by Act 33 Geo. 3, c. 47			- -	1,207,560
			£.	22,067,935

(Errors excepted.)

(signed) *T. S. Cabell,*
Dep^y Acc^t Genl.

— No. 2. —

VIEW of the COMPONENT PARTS of the COMPANY'S

DEBTS.		£.	£.	£.
CURRENT DEBTS:				
At Home:	Bills of Exchange unpaid, from China and the Cape	140,747		
	Customs on all goods sold and unsold	2,013		
	Freight and demorage	240,500		
	Supracargoe's commissi n	60,890		
	Proprietors of Private Trade	370,067		
	Consolidated Poplar Fund, including balance of prize money applicable thereto	282,055		
	Fee Funds and Widows' Funds for the House and warehouses	6,504		
	Warrants unpaid	44,192		
	Teas returned by the buyers, and re-sold	971		
	Dividends on stock	48,407		
	Interest on Bonds provisionally, the charge being deemed by the Court to be Territorial, as per Letter to Board of Commissioners, of 10 March 1832	30,126		
	Owing for export goods	62,992		
	Due to the Trustees of the Deccan booty	10,762		
			1,300,226	
Abroad:	Debts in the Commercial Department in India	233,980		
	Debts owing in China	197		
			234,177	
				1,534,403
	Balance in favour			21,102,182

Memorandum.—The Dead Stock in India and China on 1 May 1829, in the actual occupation of the Commercial Department, not comprised in the above Debts and Credits, amounted, as per Returns received from thence, to the undermentioned sums; viz.

	BUILDINGS.	Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores, &c.	TOTAL.
	£.	£.	£.
Bengal	380,266	22,569	402,835
Madras	39,592	20,287	59,879
Bombay	91,818	1,674	93,492
China	3,883	6,239	10,122
£.	515,559	50,769	566,328

Whatever part of the Dead Stock of the Company, existing in 1702 (valued at 400,000 *l.* in Lord Godolphin's award) which remained on 1 May 1814, and which was not then in the occupation of the Commercial Department, having necessarily been created by an expenditure of commercial funds, would form an addition to the Dead Stock above stated.

£. 22,636,585

(Errors excepted.)

East India House, 6 April 1832.

(signed) *T. S. Cabell,* Depy. Acct Genl.

— No. 2. —

COMMERCIAL CAPITAL, as computed on 1st May 1829.

CREDITS.	£.	£.	£.
CASH AND INVESTMENT OF PROPERTY IN THE PUBLIC FUNDS:			
At Home: Balance of Cash on 1 May 1829 - - - - -	1,081,563		
Balances in hands of officers of the House and Warehouses, advanced for commercial purposes - - - - -	48		
		1,081,611	
Value of Stock in the Public Funds belonging to the Company (market price) - - - - - - - - -	- -	760,942	
		1,842,553	
Abroad: Cash in the several Commercial Departments in India - -	318,870		
Ditto - Treasury, China - - - - - - - -	18,345		
Ditto - hands of the agent at the Cape of Good Hope -	2,799		
Ditto - - - - ditto - - - North American Colonies	3,562		
		343,576	
			2,186,129
GOODS AND MERCHANDIZE:			
At Home: Value of goods in England, unsold (market prices) - -	5,597,959		
Ditto, export goods unshipped, and advances on goods in preparation for exportation - - - - - - - -	172,602		
		5,770,561	
Abroad: Goods and merchandize in the export warehouses in India * - - - - - - - - -	£. 919,789		
Ditto, for exportation in China - - - -	368,568		
		1,288,357	
Ditto, in the import warehouses in India - -	60,118		
Ditto - - - ditto - - - China - -	2,198		
		62,316	
Ditto, at the Cape of Good Hope, from India and China - -		57,161	
Ditto, at the North American Colonies, from China - - -		205,536	
		1,613,370	
			7,383,931
FLOATING PROPERTY AND FREIGHT ADVANCED THEREON:			
Cargoes afloat outward - - - - - - - - - - - - -		522,408	
Ditto - - - homeward - - - - - - - - - - - -		2,813,252	
Impress paid owners of ships not arrived in England - - - - - -		92,957	
Consignments from China to the North American Colonies, afloat - - - -		92,555	
Remittances from British North American Colonies, *in transitû* - - - -		10,725	
			3,531,897
DEBTS DUE TO THE COMPANY:	£.	£.	
At Home: Amount of goods sold, not paid for: Company's -	588,444		
Ditto - - - ditto - - - - Private Trade	303,172		
		891,616	
Due from sundry persons on loan - - - - - -		6,333	
		897,949	
Abroad: Debts owing to the Company in India, including advances for investment * - -		1,279,423	
Ditto - - - - - - - - China - - - - -		44,237	
Ditto - - - - - - - - Cape of Good Hope - - -		3,508	
Ditto - - - - - - - - North American Colonies - -		2,078	
		1,329,246	
			2,227,195
BUILDINGS AND DEAD STOCK (exclusive of Dead Stock in India and China):			
Value of the East India House, and warehouses - - - - - - - -		1,294,768	
Ditto of ships, sloops and vessels, exclusive of those stationed abroad - - -		173,199	
			1,467,967
DEBT DUE FROM GOVERNMENT:			
East India Annuities engrafted on the 3 per cent., reduced per Act 33 Geo. 3, c. 47 - - -			1,207,560
BALANCE DUE FROM THE TERRITORIAL BRANCH:			
On account of territorial and political payments made in England since 1 May 1814, applicable to consignment or remittance to Europe, including the Amount of a Loan from the Company's commercial funds at the Cape, to the Colonial Government there, transferred for adjustment, in the Territorial Branch - - - - - - - - - - - - - - - -			4,631,906
		£.	22,636,585

* Under these two heads deductions have been made for items improperly continued as assets in the Indian Accounts, after the adjustment of the Sunn Hemp Account with his Majesty's Government.

— No. 3. —

AN ACCOUNT of the whole NET RETURN yielded by the East India Company's Commercial Capital in each Year, period to the Proprietors of East India Stock, and the Surplus or Deficiency of such Return above or below the Interest on the Bond Debt, and as Appropriations under the 4th Head of the 57th sec. of the 53 Geo. 3, c. 155,

—	TOTAL Profit on Sales of Merchandize, India and China Trade, after replacing Cost and Charges of the Investment, and covering Losses by Sea, &c. as particularized in the accompanying Statement.	Amount of Bonds paid into the Company's Treasury in England, instead of Cash, for Goods purchased at their Sales.	Net Proceeds realized in Cash.	OTHER PROFITS OF THE			
				Interest on the Annuities.	Interest accrued on Balance of Advances between the Territorial and Commercial Branches of the Company's Affairs in each Year, at the Rate of the Bond Debt.	Interest Received, Charged or Paid under other Heads, and Profit on Sale of Securities.	Surplus of Sums charged upon Private Trade Goods, the Management of which is committed to the Company, beyond the Amount of Commercial Charges General in England, not debited to the Company's own Trade.
	£.	£.	£.	£.	£.	£.	£.
1814–15 -	1,906,466	13,300	1,893,166	32,604	21,145	- - -	196,295
1815–16 -	1,289,677	276,700	1,012,977	32,604	43,914	99,098	144,806
1816–17 -	1,055,640	5,800	1,049,840	36,226	41,816	44,295	111,901
1817–18 -	1,653,024	- - -	1,653,024	36,226	55,146	* More paid than received, 74,567	180,577
1818–19 -	1,724,189	- - -	1,724,189	36,227	76,016	44,536	175,604
1819–20 -	899,195	34,750	864,445	36,227	97,459	2,932	20,991
1820–21 -	931,480	- - -	931,480	36,227	104,119	165,916	28,519
1821–22 -	1,200,397	- - -	1,200,397	36,226	105,642	274,852	110,312
1822–23 -	643,777	- - -	643,777	36,227	94,256	78,884	124,983
1823–24 -	702,310	- - -	702,310	36,227	103,833	100,330	112,695
1824–25 -	1,142,129	- - -	1,142,129	36,227	116,474	35,363	126,978
1825–26 -	864,288	141,050	723,188	36,227	121,037	60,467	72,337
1826–27 -	536,530	- - -	536,530	36,227	180,731	71,173	51,155
1827–28 -	379,209	- - -	379,209	36,227	196,604	208,738	30,275
1828–29 -	207,446	- - -	207,446	36,227	177,886	260,411	10,414
£.	15,135,707	471,600	14,664,107	536,156	1,536,078	1,372,428	1,497,842

PARTICULARS of Amount applied to Reduction of India Debt.

—	Bills of Exchange drawn from India in discharge of Principal of India Debt.	Consignments of Bullion to India in aid of Sinking Fund.	Sum directed by the Financial Letter to Bengal, of June 1821, to be advanced to the Sinking Fund.	TOTAL.
	£.	£.	£.	£.
1814–15	329,704	-	-	329,704
1815–16	318,382	-	-	318,382
1816–17	477	-	-	477
1817–18	200	-	-	200
1818–19	98	1,000,537	-	1,000,635
1819–20	-	166,302	-	166,302
1820–21	6,285	-	-	6,285
1821–22	10,576	-	1,500,000	1,510,576
1822–23	25,500	-	-	25,500
1823–24	1,396,842	-	-	1,396,842
1824–25	—	—	—	—
1825–26	—	—	—	—
1826–27	3,950	-	-	3,950
1827–28	82,103	-	-	82,103
1828–29	82,065	-	-	82,065
£.	2,256,182	1,166,839	1,500,000	4,923,021

— No. 3.—

from 1814-15 to 1828-29, by Investment in Merchandize or otherwise; with the Amount of Dividends in the same Amount of the Dividends; also showing the Amount applied in the same Years, from the Home Funds, to Payment of to Reduction of the Principal of that Debt, and of the India Debt.

COMPANY.						Amount applied from the Home Funds, under the Provisions of the 57th Clause of the 53d Geo. 3, c. 155:	
Profit on the Company's own Ships.	Profit at the Colonies of the Cape and British North America, from Sales by Company's Agents there; also Gain or Loss from the Currency at the Cape in each Year.	Total Commercial Profits of the Company, or Net Return yielded by the Company's Commercial Capital.	Dividends to the Proprietors of East India Stock.	Surplus beyond the Dividends.	Amount applied from the Commercial Funds provisionally to Payment of Interest on Bond Debt.	To Reduction of Principal of the Home-Bond Debt.	To Reduction of Principal of India Debt; (*See* Particulars, page 42.)
£.	£.	£.	£.	£.	£.	£.	£.
- -	Cape - - 13,993	2,157,203	630,000	1,527,203	259,545	196,200	329,704
- -	— - - 10,211	1,343,610	630,000	713,610	235,967	136,300	318,382
- -	* — loss - 9,756	1,274,322	630,000	644,322	230,536	- - -	477
- -	* — d° - 72	1,850,334	630,000	1,220,334	211,659	12	200
- -	— - - 13,718	2,070,290	630,000	1,440,290	153,120	- - -	1,000,635
- -	— - - 8,765	1,030,819	630,000	400,819	157,266	- - -	166,302
49,198	— - - 334	1,315,793	630,000	685,793	162,938	- - -	6,285
21,044	* — loss - 4,254	1,744,219	630,000	1,114,219	155,161	- - -	1,510,576
28,742	— - - 13,554	1,020,423	630,000	390,423	160,844	1,100	25,500
46,925	* — loss - 3,029	1,099,291	630,000	469,291	140,140	75	1,396,842
29,024	* — d° - 565	1,485,630	630,000	855,630	135,533	—	—
41,386	— - - 10,988 N. A. - 18,557	1,084,187	630,000	454,187	111,739	712	—
26,921	Cape - - 6,645 N. A. - 12,225	921,607	630,000	291,607	159,333	- - -	3,950
56,336	* Cape, loss 2,163 N. A. - 13,796	919,022	630,000	289,022	153,441	- - -	82,103
32,647	Cape - - 825 N. A. - 14,970	740,826	630,000	† 110,826	158,124	- - -	82,065
332,223	118,742	20,057,576	9,450,000	10,607,576	2,585,346	334,399	4,923,021

	£.
Total Commercial Profits of the Company brought down - - - - - - - - -	20,057,576
Add, Bonds paid into the Company's Treasury instead of Cash for Goods purchased at the Company's sales, deducted from the above amount -	471,600
Amount of Profit realized prior to any deduction being made therefrom -	£. 20,529,176
Deduct, Dividends to the Proprietors - £. 9,450,000; Interest on Home-Bond Debt - 2,585,346	12,035,346
Surplus Profit beyond Dividends to the Proprietors, and the provisional Charge for Interest on the Home-Bond Debt -	£. 8,493,830

	£.
Total of these three heads -	7,842,766
Excess of Surplus beyond Dividend - - - -	10,607,576
Commercial Surplus exceeds the Amount of the foregoing Payments -	£. 2,764,810

* *Red Ink* in MS.

† The sum of 51,195*l.* loss of previous years, has been deducted from the profits of this year, per memorandum in the accompanying Statement.

(Errors excepted.)

East India House, 6 April 1832.

(signed) *Thos. S. Cabell,* Dep^y Acc^t Genl.

STATEMENT REFERRED TO IN THE PRECEDING ACCOUNT.

	INDIAN TRADE							
	Prime Cost calculated at the Rates fixed by the Board of Commissioners for the Affairs of India, for the Re-payment of Territorial Advances; viz. 2/ the Ct Ree, 2/3 3-7ths the Ms Ree, and 2/3 the B. Ree.	CUSTOMS.	Freight and Demorage.	Charges of Merchandize, calculated at 5 per Cent. on the Sale Amount of the Goods.	Total Cost and Charges.	SALE AMOUNT.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.	£.
1814–15.	1,186,693	53,680	304,565	110,170	1,655,108	2,203,398	548,290	1,296 Loss on Saltpetre provided for Board of Ordnance.
1815–16	1,039,236	52,588	331,436	89,820	1,513,080	1,796,371	283,291 Profit Salt-petre, do - do. 11,752	- -
1816–17	1,212,808	58,617	341,698	90,824	1,703,947	1,816,465	112,518	Do 1,250
1817–18	1,322,568	54,668	267,737	108,556	1,753,529	2,171,131	417,602	- -
1818–19	1,396,303	51,974	202,259	107,825	1,758,361	2,156,491	398,130	- -
1819–20	1,237,911	- -	174,631	77,535	1,490,077	1,550,712	60,635	- -
1820–21	1,512,971	- -	149,647	80,563	1,743,181	1,611,260	- -	131,921
1821–22	1,417,043	- -	102,740	75,040	1,594,823	1,500,781	- -	94,042
1822–23	1,784,421	- -	156,578	94,964	2,035,963	1,899,279	- -	136,684
1823–24	1,714,417	- -	213,344	82,452	2,010,213	1,649,047	- -	361,166
1824–25	1,488,183	- -	109,085	81,623	1,678,891	1,632,443	- -	46,448
1825–26	1,541,462	- -	130,845	80,024	1,752,331	1,600,490	- -	151,841
1826–27	1,889,378	- -	164,965	87,340	2,141,683	1,746,810	- -	394,873
1827–28	1,981,741	- -	133,199	92,435	2,207,375	1,848,721	- -	358,654
1828–29	2,188,447	- -	117,441	96,312	2,402,200	1,926,243	- -	475,957
£.	22,913,582	271,527	2,900,170	1,355,483	27,440,762	27,109,642	1,820,466	2,151,586
					Net Loss, India Trade - - £.			331,120
					Net Profit on Saltpetre - - £.			9,206

Memorandum:—Had the Company's Profit and Loss Accounts been
Affairs of India, as regards the repayment of Territorial advances, the
The Profit on their China Trade would also have been increased in the

STATEMENT REFERRED TO IN THE P

INDIAN TRADE.										
Profit or Loss on Exports from England to India.		Charges in India not added to Invoices; also, Profit or Loss from Interest and Exchange, and Loss by Bad Debts, &c.	Losses at Sea, including Jettisons, Salvages, &c. and other Losses.	Net Profit or Loss on India Trade, Outward and Homeward, deducting Losses at Sea.		Prime Cost, calculated at 6s. 8d. the Tale.	CUSTOMS.	Freight and Demorage.	Charges of Merchandize, calculated at 5 per Cent. on the Sale Amount of the Goods.	Supra-cargoes Commiss
Profit.	Loss.			Profit.	Loss.					
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	
80,013	- -	53,266	110,229	463,512	- -	2,082,171	5,528	915,050	241,139	6
61,260	- -	20,324	10,024	325,955	- -	1,751,718	1,905	776,420	189,699	
59,159	- -	16,995	1,116	153,216	- -	1,618,628	6,772	628,344	169,770	
71,828	- -	15,361	476	473,593	- -	1,965,077	11,674	604,522	203,210	
39,128	- -	20,112	9,955	407,191	- -	1,947,025	5,720	565,343	205,22	
- -	9,066	33,635	763	17,171	- -	1,787,911	- -	475,817	175,7	
10,150	- -	Net profit, *10,783	9,949	- -	120,937	1,678,080	- -	471,286	171,4	
49,740	- -	Net profit, *18,135	2,163	- -	28,330	1,734,586	- -	501,718	186,3	
35,749	- -	4,709	9,639	- -	115,283	1,818,760	- -	543,994	26	
39,457	- -	Net profit, *2,256	16,566	- -	336,009	1,856,711	- -	525,277		
21,942	- -	Net profit, *32,669	7,018	1,145	- -	1,956,433	- -	532,681		
3,334	- -	6,301	2,092	- -	156,900	2,020,651	- -	518,883		
- -	13,565	Net profit, *10,594	575	- -	398,419	1,859,804	- -	496,302		
- -	18,835	30,536	860	- -	408,885	1,747,545	- -	504,505		
- -	‖ 66,399	8,021	5,350	- -	555,727	1,804,151	- -	508,827		
471,760	107,865	133,923	186,765	1,841,783	2,120,490	27,629,251	31,599	8,568,969		
Net Profit - 363,895				Loss - 278,707						

made up at the mercantile rate of Exchange, as ascertained from the rates at which bills have been drawn fro
above Account of their India Trade would have exhibited a Profit of £. 2,245,400, instead of a Loss of £. 27
period, by the Sum of -

* *Red Ink* in MS.

† The Profit or Loss upon the Outward Trade to China is comprehended in the rate of 6*s.* 8*d.*

‖ Including the sum of 51,195*l.* loss on importations from 1815–16 to 1817–18, not previously

— No. 4. —

COMPARISON of the COMPANY'S COMMERCIAL CAPITAL, as computed at the two Periods of 1814 and 1829; with an Explanation of the Amount of such Capital in the latter Year, relatively to that at which it appears in the former; particularly with reference to the Net Return which has been yielded by its Employment in Trade or otherwise, in the intervening Period, as shown in No. 3.

	£.	£.
Balance in favour of the Company, of their Commercial Debts and Effects (exclusive of the Commercial Dead Stock in India) as computed on 1 May 1814, (No. 1.) - - - - - - -	19,268,738	
Add, the Amount of the Commercial Dead Stock in India so excluded (foot of No. 1) - - - - - - - - - -	467,171	
TOTAL CAPITAL, as computed 1 May 1814 - - -		19,735,909
The following Adjustments, made since 1814, operate to reduce the value of the assets which enter into the foregoing computation; viz.		
Amount of Spices from the Moluccas, included at that time as part of the Company's goods unsold in England (the same having been given credit for by the Commerce to Territory, prior to 1 May 1814), the proceeds of which it was subsequently determined should be allowed to His Majesty's Government, as a set-off against the Company's claim for repayment of the expenses of capture and maintenance of those islands - - - - - - - -	234,448	
Amount of Buildings and other dead stock in India which had become decayed, or had been destroyed prior to 1 May 1814, but which remained as part of the computed value of Dead Stock on that day; written off between 1814 and 1829 - - - - - - -	78,626	
Amount of Debts due to the Company on 1 May 1814; (Advances in India for investment, &c.); written off as unavailable between 1814 and 1829 - - - - - - - - - - -	140,538	
Amount by which the valuation of the Company's Commercial Buildings in England, on 1 May 1829, falls short of the aggregate of their computed value on 1 May 1814, and the amount of the outlay since incurred on this account, up to 1829, principally arising from the transfer, subsequent to 1814, to the Territorial Branch, of the value of the College at Hayleybury, and of the Military Seminary at Addiscombe, the component parts of the Dead Stock in England not having been previously separated, with reference to its occupation for Commercial or Territorial purposes	70,314	
		523,926
		19,211,983
The Surplus Net Return (beyond the dividends paid to the Proprietors, and the provisional Charge for Interest on the Bond Debt) yielded by the employment of the Commercial Capital in the 15 years from 1814–15 to 1828–29, amounted, as per No. 3, to -	8,493,830	
Of which may be considered as having been anticipated in the computation of the assets, on 1 May 1814, comparatively with the Account of 1829, the amount of the valuation of assets above costs and charges (where the same are calculated at their market value) at the latter period, falling short to this extent of the valuation, in the same respect at the former - - - - - -	291,550	
		8,202,280
Aggregate Amount of the Commercial Capital in 1814, and of the subsequent Profits to be accounted for - - - -	£.	27,414,263

Amount of computed Commercial Capital, on 1 May 1829; viz.	£.	£.
Balance (as in 1814) in favour of the Company, exclusive of Dead Stock (No. 2.) - - - - - - - - - -	21,102,182	
Amount of the Dead Stock, (foot of No. 2.) - - - -	566,328	21,668,510
Applied, (as per No. 3.) for the service of the Territory, or for purposes deemed by the Court to be Territorial, or having a similar operation; viz.		
To reduction of Principal of India Debt - - - - - -	4,923,021	
Ditto - - Home Bond Debt: Bonds paid in on Sales £. 471,600		
Bonds paid off - - 334,399	805,999	
		5,729,020
Amount of Loss sustained by the Company in the provision of sunn hemp for the Public Service, under an arrangement entered into in the year 1808; the whole amount deemed to have been sacrificed by the Company in providing this article for the Public Service, was computed to amount to 99,563*l.*, but the sum here inserted is that portion of it which has not been otherwise accounted for -		40,797
	£.	27,438,327

The difference of £. 24,064, between the sum to be accounted for, and the aggregate of the particulars which have been traced as explanatory thereof, may be considered as arising from variations between the amount of the cost and charges of the goods in which the Company's trade has been carried on, as apportioned upon the several articles when brought to sale, and the aggregate of the outlay incurred in their provision. The charges in England, such as freight, and those for management and for bringing the goods to sale, are defrayed, in most instances, without reference to the separate articles composing the investments, or to the periods at which they may respectively be brought to sale; the amount, therefore of such charges attaching to each article, as well as its prime cost, can only be arrived at by a proportionate allotment of the general outlay applicable to the whole.

(Errors excepted.)

East India House,
6 April 1832.

(signed) *T. S. Cabell,*
Dep^y Acc^t Genl.

No. 5.—RECEIPTS AND PAYMENTS

ON ACCOUNT OF THE CURRENT TRANSACTIONS OF THE

RECEIPTS.	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.	1820–21.
	£.	£.	£.	£.	£.	£.	£.
Sale Proceeds of Company's Goods - -	8,296,962	6,291,621	5,171,357	6,365,806	6,178,825	5,161,665	5,047,751
Charges on Private Trade, warehoused and sold by the Company - - - -	220,668	206,938	210,218	187,022	170,766	116,101	148,686
Customs on Private Trade - - - -	91,537	146,903	118,914	86,993	58,965	36,826	5,107
Freight on - ditto - - - - - -	143,413	87,051	15,351	15,077	13,529	8,392	2,140
Board of Ordnance, for Saltpetre delivered -	97,533	235,112	39,979	- - -	- - -	- - -	- - -
Interest on the Annuities - - - -	32,604	32,604	36,227	36,227	36,227	36,227	36,227
Remittances made by Company's Agent at Cape of Good Hope - - - -	20,400	17,075	- - -	12,918	- - -	- - -	- - -
Interest and Discounts on anticipated Payments - - - - - - -	- - -	99,098	44,295	- - -	44,536	2,932	165,916
Freight and Charges on Spices sold for Government - - - - - -	- - -	- - -	- - -	27,130	39,665	25,018	13,362
China Embassy - - - - - - -	- - -	- - -	- - -	- - -	157	- - -	- - -
Commissioners of His Majesty's Navy, on account of Sunn Hemp provided in India -	- - -	- - -	- - -	- - -	243,829	36,167	822
Bills from Bombay, for Cotton sold there -	- - -	- - -	- - -	- - -	- - -	24,681	29,888
Sale of Stock in the Public Funds, standing in the Company's Name - - - -	- - -	- - -	- - -	- - -	- - -	- - -	55,410
Dividends on ditto - - - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Remittances from North American Colonies, on account of Proceeds of Teas sold there by Company's Agents - - - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
£.	8,903,117	7,116,402	5,636,341	6,731,173	6,786,499	5,448,009	5,505,309
ON ACCOUNT OF LOANS AND ADVANCES:							
Owners of Ships, for Advances abroad, short Deliveries, &c.	17,907	23,452	70,597	86,180	61,034	62,036	46,097
On account of Hong Merchants, to be paid to them at Canton - - - - - -	- - -	- - -	- - -	- - -	7,000	7,000	- - -
Money borrowed of the Bank - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Bullion from India on account of the Deccan Booty - - - - - - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
£.	17,907	23,452	70,597	86,180	68,034	69,036	46,097
ON ACCOUNT OF PRIVATE TRADE AND FUNDS UNDER THE MANAGEMENT OF THE COMPANY:							
Almshouses at Poplar, Poplar Contingent Fund, and Seamen's Wages unclaimed - -	14,643	- - -	- - -	101,046	18,051	15,362	106,326
Fee Funds for the House and Warehouses -	113,218	- - -	96,433	90,952	86,578	84,862	72,365
Widows' Funds for Officers of the House and Warehouses, and for Elders, extra Clerks, &c. employed in House and Warehouses - -	- - -	- - -	12,080	3,649	4,791	11,826	12,818
Sale Proceeds of Private Trade Goods - -	4,080,890	4,367,623	3,603,335	3,949,854	3,736,114	2,395,012	2,623,107
Unclaimed Prize-money paid into the Company's Treasury, in conformity with the Act 1 & 2 Geo. 4, c. 61, carried over to Poplar Fund - - - - - - - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
£.	4,208,751	4,367,623	3,711,848	4,145,501	3,845,534	2,507,062	2,814,616
ON ACCOUNT OF THE TERRITORY:							
RECEIPTS under all the heads on this Account -	608,368	233,754	511,146	189,552	587,964	369,012	313,895
TOTAL RECEIPTS - - £.	13,738,143	11,741,231	9,929,932	11,152,406	11,288,031	8,393,119	8,679,917
BALANCE in favour at the Commencement of each Year (excluding Tea Duty) - -	695,860	2,167,346	1,125,196	1,230,012	1,895,716	2,692,404	2,635,369
£.	14,434,003	13,908,577	11,055,128	12,382,418	13,183,747	11,022,523	11,315,286

The Receipts and Payments on account of the Territory have a connexion with the Company's Commerce, inasmuch as the Sums disbursed

Under the first three Years of this Account, the proceeds of Spices from the Moluccas were included (Which Sums should be respectively deducted from the Receipts of the Commercial, and

On the other hand, part of the Proceeds realized from these Spices, amounting to £. 110,000, was by Amount from the Receipts of the Territorial to those of the Commercial Branch - - - -

In the first two Years of this Account there was also included in the Receipts of the Territorial Branch to Shipowners at the time of their issue, instead of at the period of the settlement of their Accounts

East India House,
6 April 1832.

… OF THE HOME TREASURY FROM 1 MAY 1814 TO 1 MAY 1829, AS CONTAINED IN THE ACCOUNTS ANNUALLY PRESENTED TO PARLIAMENT.

… COMPANY'S OWN TRADE AND MANAGEMENT.

	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
	5,262,349	5,566,564	5,260,681	5,609,710	5,770,719	5,028,406	5,301,334	5,146,122	85,459,872
	177,680	160,347	146,587	152,759	138,452	128,852	137,656	122,152	2,425,184
	3,124	3,289	3,290	2,799	4,266	3,858	2,194	1,648	569,713
	11,249	3,598	4,836	4,436	8,358	12,466	12,848	6,652	349,446
	-	-	-	-	-	-	-	-	372,624
	36,227	36,227	36,227	36,227	36,227	36,227	36,227	36,227	536,159
	-	-	-	-	203	456	300	10,738	62,090
	21,841	-	32,849	16,378	17,039	6,710	-	-	451,594
	10,717	15,335	1,939	2,579	2,835	58	-	4,204	142,842
	-	-	-	-	-	-	-	-	157
	117,837	150,000	-	66,721	-	-	-	-	615,376
	-	-	-	-	-	-	-	-	54,569
	110,820	27,705	-	-	-	-	854,977	-	1,048,912
	60,812	57,042	56,520	56,519	56,519	56,519	47,520	26,545	417,996
	-	-	-	-	59,243	46,718	101,239	105,135	312,335
	5,812,656	6,020,107	5,542,929	5,948,148	6,093,891	5,320,270	6,494,595	5,459,423	92,818,869
	51,663	22,130	10,555	13,717	8,290	8,765	2,234	2,375	487,032
	3,456	-	-	-	-	-	-	-	17,456
	-	-	1,500,000	-	-	100,000	300,000	-	1,900,000
	-	-	-	-	-	-	-	372,751	372,751
	55,119	22,130	1,510,555	13,717	8,290	108,765	302,234	375,126	2,777,239
	21,452	20,374	24,713	21,412	21,988	21,759	21,271	21,792	430,189
	73,972	78,480	83,577	87,311	85,398	87,404	84,807	76,484	1,201,841
	12,897	13,631	14,155	14,709	15,977	15,961	16,606	17,071	166,171
	2,700,361	2,507,905	2,443,894	3,075,755	2,656,986	2,802,308	2,334,710	2,402,437	45,680,291
	31,683	4,854	-	135	2,683	775	-	983	41,113
	2,840,365	2,625,244	2,566,339	3,199,322	2,783,032	2,928,207	2,457,394	2,518,767	47,519,605
	318,957	3,098,505	100,339	1,081,046	191,869	100,744	105,904	705,276	8,516,331
	9,027,097	11,765,986	9,720,162	10,242,233	9,077,082	8,457,986	9,300,127	9,058,592	151,632,044
	1,271,766	1,047,337	2,516,126	1,118,591	1,594,644	779,195	262,024	312,638	Balance 1 May 1814, 695,860
	10,298,863	12,813,323	12,236,288	11,360,824	10,671,726	9,237,181	9,622,151	9,371,230	152,327,904

… from the Commercial Funds on this account constitute, to a certain extent, a Fund for the provision of the Company's Investments.

ON ACCOUNT OF THE CURRENT TRANSACTIONS OF THE COMPANY'S OWN TRADE AND MANAGEMENT.

PAYMENTS.	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.	1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Customs on Company's and Private Trade Goods	187,376	232,995	171,765	159,411	138,867	72,213	6,151	1,406	7,882	15,976	4,963	1,491	2,994	-	4,379	1,007,869
Freight and Demorage on ditto	1,680,683	1,304,120	1,205,440	996,936	635,809	589,371	796,540	683,661	712,414	738,490	613,276	733,839	692,817	783,759	662,964	12,810,110
Goods for sale and use, exported and to be exported	1,426,842	1,271,782	1,085,892	883,005	941,391	1,185,050	1,376,138	1,088,561	861,532	1,071,802	743,893	723,079	750,369	619,585	471,321	14,500,042
Bullion exported	101,004	1,096,149	101,053	100,227	44	*500,654	-	-	-	-	-	-	-	-	-	1,899,131
Commanders' Certificates and Bills from China and the Cape	148,202	96,905	239,669	189,930	186,783	172,528	122,227	117,928	87,732	185,401	194,952	144,754	74,516	592,745	121,608	2,675,880
Charges General, including Charges for the Management of Private Trade Goods	477,295	487,028	445,247	403,664	404,424	446,836	468,156	410,386	403,127	411,093	433,299	484,148	492,504	497,866	497,991	6,733,154
Expenses on account of the China Embassy	-	51,804	2,256	32,349	-	1,750	638	-	-	-	-	-	-	-	-	88,897
Contract with His Majesty's Government for the Supply of Cinnamon from Ceylon	-	32,500	29,583	44,167	37,500	37,500	37,500	42,731	40,934	-	-	-	-	-	-	302,415
Purchase of Stock in the Public Funds, with a view to be applied to payment of the Sinking Fund of the Loan of 1812	-	-	-	-	-	-	1,472,942	-	-	-	-	-	-	-	-	1,472,942
Interest on Loans and Accounts current	-	-	-	74,567	-	-	-	-	368	-	52,644	17,500	-	20,436	32,190	197,725
Commissioners of His Majesty's Navy, recoveries in India on account of Sunn Hemp, for which they had been debited in Account	-	-	-	-	-	-	-	-	-	-	-	-	8,224	-	-	8,224
	4,021,402	4,573,383	3,280,905	2,884,256	2,344,818	3,005,902	4,280,292	2,324,673	2,113,989	2,422,562	2,043,027	2,104,811	2,021,514	2,514,411	1,760,453	41,696,398
Dividends on Stock	627,647	629,902	647,911	632,204	629,234	626,796	632,251	627,931	631,727	626,565	631,934	630,473	621,587	633,357	629,071	9,458,590
Provisionally charged to Commercial Branch: Interest and Property Tax on the Bond Debt	259,546	235,967	230,536	211,659	153,120	157,266	162,938	155,161	160,844	140,140	135,533	111,739	159,333	153,441	158,124	2,585,347
£.	4,908,595	5,439,252	4,159,352	3,728,119	3,127,172	3,789,964	5,075,481	3,107,765	2,906,560	3,189,267	2,810,494	2,847,023	2,802,434	3,301,209	2,547,648	53,740,335
ON ACCOUNT OF LOANS AND ADVANCES:																
Bank Re-payment of Loans	200,000	-	-	600,000	-	-	-	-	-	-	1,000,000	500,000	-	400,000	-	2,700,000
Sums received in Deposit on Account of Hong Merchants in China repaid	-	-	-	-	-	-	-	-	-	-	2,794	-	-	-	-	2,794
Advances in England to the Trustees of the Deccan Booty, to be made good from the Prize Funds in India by Remittances of Bullion to the Court of Directors	-	-	-	-	-	-	-	-	-	-	-	-	130,000	157,361	74,201	361,562
	200,000	-	-	600,000	-	-	-	-	-	-	1,002,794	500,000	130,000	557,361	74,201	3,064,356
Provisionally charged to Commercial Branch: Bonds paid in on Sales, bought up and paid off	109,500	413,000	5,800	12	-	34,750	-	-	1,100	75	-	141,762	-	-	-	705,999
£.	309,500	413,000	5,800	600,012	-	34,750	-	-	1,100	75	1,002,794	641,762	130,000	557,361	74,201	3,770,355
ON ACCOUNT OF PRIVATE TRADE AND FUNDS UNDER THE MANAGEMENT OF THE COMPANY:																
Almshouses at Poplar	18,415	4,945	2,287	20,991	20,207	22,342	20,161	22,397	16,406	16,166	17,246	17,810	17,483	17,484	25,025	259,365
Fee Funds for the House and Warehouses	113,382	9,700	97,709	83,872	97,555	80,536	72,149	69,968	82,366	84,821	86,313	84,490	85,509	82,995	81,092	1,212,547
Widows' Funds for Officers of the House and Warehouses, and for Elders, extra Clerks, &c. employed in the House and Warehouses	-	-	9,213	6,801	730	13,555	16,087	9,092	14,222	8,575	4,934	38,932	14,530	18,116	18,739	173,526
Proprietors of Private Trade	4,003,770	4,426,505	3,582,214	3,925,727	3,882,637	2,308,761	2,564,159	2,823,422	2,427,373	2,597,142	3,036,774	2,733,871	2,659,484	2,421,051	2,475,774	45,798,664
Unclaimed Prize Money applicable to Poplar Fund; Claims allowed thereout	-	-	-	-	-	-	-	-	-	64	-	-	-	-	-	64
£.	4,135,567	4,441,150	3,691,423	4,037,391	4,001,129	2,425,194	2,672,556	2,924,879	2,540,367	2,636,768	3,145,267	2,875,103	2,777,096	2,539,646	2,600,630	47,444,166
ON ACCOUNT OF THE TERRITORY:																
Payments under all the Heads on this Account	2,912,995	2,489,979	1,968,541	2,121,180	3,426,042	2,137,246	2,295,483	3,218,882	4,849,170	5,291,587	2,807,625	3,528,643	3,265,627	2,911,297	3,067,188	46,291,485
TOTAL PAYMENTS - - - £.	12,266,657	12,783,381	9,825,116	10,486,702	10,554,343	8,387,154	10,043,520	9,251,526	10,297,197	11,117,697	9,766,180	9,892,531	8,975,157	9,309,513	8,289,667	151,246,341
BALANCE in favour at the Termination of each Year, (excluding Tea Duty)	2,167,346	1,125,196	1,230,012	1,895,716	2,629,404	2,635,369	1,271,766	1,047,337	2,516,126	1,118,591	1,594,644	779,195	262,024	312,638	1,081,563	Balance, 1 May 1829, 1,081,563
£.	14,434,003	13,908,577	11,055,128	12,382,418	13,183,747	11,022,523	11,315,286	10,298,863	12,813,323	12,236,288	11,360,824	10,671,726	9,237,181	9,622,151	9,371,230	152,327,904

* Of the above Amount of Bullion which was purchased with the intention of being shipped for China, the sum of £. 166,302 was afterwards sent to India on the Territorial Account, and applied to the reduction of India Debt.

	1814–15.	1815–16.	1816–17.	TOTAL.
	£.	£.	£.	£.
… as part of the Receipts for Company's Goods, the mode in which the Expenditure relating to the Moluccas should be adjusted with His Majesty's Government not having been finally agreed upon until after that period; they amounted to … added to those of the Territorial Branch, in each of those Years.)	154,521	118,030	26,932	299,483
… directions of the Lords of His Majesty's Treasury, transferred in 1818–19 from the Credit of His Majesty's Government, under the Molucca Branch of their Account, to the Credit of the Account with the Navy Board, relating to Sunn Hemp, occasioning a transfer to a like	-	-	-	110,000
				189,483
… the amount adjusted with Owners of Ships for Advances in India, and on other accounts, but subsequently this item has been classed under the Commercial Branch, it having been deemed a more correct principle of account to charge to the Commerce in India the Advances made in England; the Territorial Branch was therefore over credited, and the Commercial short credited	37,481	76,402	-	113,883
Net Deduction to be made from the Receipts of the Commercial, to be added to those of the Territorial Branch - - - - - £.				75,600

(Errors Excepted.)

Thos. S. Cabell,
Depᵗ Accᵗ Genl.

—No. 6.—

STATEMENT of TERRITORIAL PAYMENTS made by the Supra-Cargoes at *Canton*, from the Books of Account

—	CHINA.				
	Payments on account of His Majesty's Ships; Survey of the China Seas; Advances to Military Officers, repayable; and Passage of Chinese to St. Helena, to be employed at the Island.	STORES AND BULLION.			TOTAL Payments at China.
		Cost of Tea, Nankeens, &c. for India and St. Helena, for the Hospitals and Garrisons.	Remittances of Bullion from China to India.	TOTAL Stores and Bullion.	
	£.	£.	£.	£.	£.
1814–15 - -	16,803	9,512	- - -	9,512	26,315
1815–16 - -	19,338	11,326	- - -	11,326	30,664
1816–17 - -	23,698	10,353	- - -	10,353	34,051
1817–18 - -	15,744	11,138	480,000	491,138	506,882
1818–19 - -	13,937	13,951	96,000	109,951	123,888
1819–20 - -	11,390	14,022	- - -	14,022	25,412
1820–21 - -	402	11,665	- - -	11,665	12,067
1821–22 - -	474	2,975	- - -	2,975	3,449
1822–23 - -	- - -	9,292	- - -	9,292	9,292
1823–24 - -	- - -	4,245	- - -	4,245	4,245
1824–25 - -	1,084	5,200	- - -	5,200	6,284
1825–26 - -	121	2,823	- - -	2,823	2,944
1826–27 - -	- - -	5,460	- - -	5,460	5,460
1827–28 - -	291	3,115	- - -	3,115	3,406
1828–29 - -	240	13,311	- - -	13,311	13,551
£.	103,522	128,388	576,000	704,388	807,910

East India House,
6 April 1832.

— No. 6. —

and Agent at the *Cape of Good Hope*, from 1st May 1814 to 30th May 1829; as collected kept at those Places respectively.

CAPE OF GOOD HOPE.				TOTAL.	
Passage of Troops from the Cape to India; Payments on account of Invalid Soldiers; Survey of the East Coast of Africa, &c. &c.	Expenses on account of the St. Helena Schooner; Pensions to Soldiers late of St. Helena Establishment; Advances to St. Helena Officers, &c. &c.	Purchase of Stores and Provisions for St. Helena, Freight paid, and Charges on the Stores provided.	TOTAL Payments at Cape of Good Hope.	Sundry Payments.	Stores and Bullion.
£.	£.	£.	£.	£.	£.
1,328	1,417	23,641	26,386	19,548	33,153
18,320	1,409	16,900	36,629	39,067	28,226
537	1,325	21,212	23,074	25,560	31,665
916	726	19,310	20,952	17,386	30,448 Bullion, 480,000
281	1,283	28,193	29,757	15,501	42,144 Bullion, 96,000
2,383	1,310	28,935	32,628	15,083	42,957
163	982	23,484	24,629	1,547	35,149
1,835 Cape Wine for Hospital in India, 59	593	11,014	13,501	2,902	14,048
2,118	811	7,008	9,937	2,929	16,300
1,224 Cape Wine for Hospital in India, 239	918	9,351	11,732	2,142	13,835
1,298	462	4,221	5,981	2,844	9,421
1,673	901	10,064	12,638	2,695	12,887
3,134	1,115	7,506	11,755	4,249	12,966
1,033	1,170	8,381	10,584	2,494	11,496
20,693	1,497	9,024	31,214	22,430	22,335
Stores for India - 298 56,936	15,919	228,244	301,397	176,377	932,930

TOTAL - - - £. 1,109,307.

(Errors excepted.)

(signed) *Thomas S. Cabell,*
Dep^y Acc^t Genl.

—No. 7.—

(1.)—Territorial Branch of the Affairs of the East India Company in Account in each Year, from 1st May 1814

1814–15.

			£.
1815. 30 April:	TO Amount of Territorial Advances and Charges in England, &c., in the year 1814–15:		
	Officers pay	£. 147,609	
	Passage of military, and supplies to them on the voyage	79,101	
	Political freight and demorage, exclusive of amount charged on exports	51,081	
	Interest on loan of 2,500,000 *l.* from the Public in 1812	120,513	
	Redemption of above loan	123,531	
	Political charges general, exclusive of advances recoverable in India	283,316	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	15,713	
	Sundry expenses on account of St. Helena	5,304	
	Territorial stores exported from England to India	405,238	
	Ditto ditto St. Helena	65,833	
	Ditto ditto P. W. Island	21,704	
	Ditto ditto Bencoolen	4,762	
	Ditto from China and the Cape of Good Hope to St. Helena	33,396	
	Off-reckoning funds	135,692	
	Carnatic fund	180,930	
	Advances to public institutions, &c. repayable in India	30,392	
	Bills drawn from St. Helena, discharged in England	44,146	
	Ditto Bencoolen ditto	3,740	
	Ditto India, effects of deceased officers, &c.	13,136	
	Cast iron bridge, &c. for the Nabob of Oude	5,744	
			1,770,881
	To Balance transferred from Account (No. 2), being the excess of payments for bills drawn for interest of India debt beyond the amount of remittances to meet those bills		176,255
		£.	1,947,136

1815–16.

			£.
1815: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of the Season 1814–15		723,767
1816: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1815–16:		
	Officers pay	£. 152,231	
	Passage of military, and supplies to them on the voyage	74,336	
	Political freight and demorage, exclusive of amount charged on exports	139,526	
	Interest on loan of 2,500,000 *l.* from the Public in 1812	114,221	
	Redemption of above loan	129,767	
	Political charges general, exclusive of advances recoverable in India	267,911	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	9,034	
	Sundry expenses on account of St. Helena	10,547	
	Ditto Bencoolen	940	
	Territorial stores exported from England to India	363,496	
	Ditto ditto St. Helena	69,530	
	Ditto ditto Bencoolen	6,184	
	Ditto from China and the Cape to India	2,016	
	Ditto ditto St. Helena	27,112	
	Bullion exported to St. Helena	20,292	
	Off-reckoning funds	54,451	
	Carnatic fund	131,043	
	Advances to public institutions, &c. repayable in India	47,166	
	Bills drawn from St. Helena, discharged in England	40,207	
	Ditto Bencoolen ditto	1,719	
	Ditto India, effects of deceased officers, &c.	14,075	
		1,675,804	
	Deduct, Territorial stores from England to Prince of Wales Island, amount recovered for short deliveries of exports of former seasons	243	
			1,675,561
	To Balance transferred from Account (No. 2), being the excess of payments for bills drawn for interest of India debt beyond the amount of remittances realized to meet those bills		291,757
		£.	2,691,085

— No. 7. —

with the COMMERCIAL BRANCH in respect to Territorial and Political Payments made in *England*, to 1st May 1829.

1814–15.

1815: 30 April.	BY Balance of Advances made by the Territorial to the Commercial Department at Bengal	£. 868,897	£.
	By ditto ditto Madras	253,067	
	By ditto ditto Bombay	66,126	
	By ditto ditto Bencoolen	35,279	
			1,223,369
	By Balance due to the Commercial from the Territorial Branch on 30th April 1815		723,767
		£.	1,947,136

1815–16.

1816: 30 April.	BY Balance of Advances made by the Territorial to the Commercial Department at Bengal	£. 1,214,245	£.
	By ditto ditto Madras	405,560	
	By ditto ditto Bombay	247,112	
	By ditto ditto Bencoolen	55,330	
	By ditto ditto St. Helena	2,778	
	By ditto ditto P. W. Island	1,910	
			1,926,935
	By Balance due to the Commercial Branch on 30 April 1816		764,150
		£.	2,691,085

(*continued*)

No. 7. (1.)—Territorial Branch in Account with the Commercial Branch in

1816–17.

			£.
1816: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of the Season 1815–16		764,150
1817: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1816–17:		
	Officers pay	£. 159,509	
	Passage of military, and supplies to them on the voyage	51,474	
	Political freight and demorage, exclusive of amount charged on exports	69,792	
	Interest on loan of 2,500,000 *l.* from the Public in 1812	107,708	
	Redemption of above loan	136,214	
	Political charges general, exclusive of advances recoverable in India	279,399	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	20,728	
	Sundry expenses on account of St. Helena	3,568	
	Ditto P. W. Island	1,060	
	Territorial stores exported from England to India	497,203	
	Ditto ditto St. Helena	78,212	
	Ditto ditto P. W. Island	7,315	
	Ditto ditto Bencoolen	3,630	
	Ditto from the Cape to St. Helena	34,545	
	Bullion exported to St. Helena	15,333	
	Off-reckoning funds	48,738	
	Carnatic fund	182,193	
	Advances to public institutions, &c., repayable in India	14,258	
	Bills drawn from St. Helena, discharged in England	50,243	
	Ditto Bencoolen ditto	619	
	Ditto India, effects of deceased officers, &c.	4,260	
	Cast iron bridge for the Nabob of Oude	19,155	
		£. 1,785,156	
	Deduct,		
	Receipts on account of the settlement of Bencoolen more than the payments	777	
			1,784,379
		£	2,548,529

1817–18.

			£.
1817: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of the Season 1816–17		731,737
1818: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1817–18:		
	Officers pay	£. 158,711	
	Passage of military, and supplies to them on the voyage	33,179	
	Political freight and demorage, exclusive of amount charged on exports	222,960	
	Interest on loan of 2,500,000 *l.* from the Public in 1812	101,868	
	Redemption of above loan	141,991	
	Political charges general, exclusive of advances recoverable in India	237,715	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	16,803	
	Sundry expenses on account of St. Helena	5,007	
	Territorial stores exported from England to India	275,039	
	Ditto ditto St. Helena	46,498	
	Ditto ditto P. W. Island	1,914	
	Ditto ditto Bencoolen	1,346	
	Ditto from China and the Cape to India	1,186	
	Ditto ditto St. Helena	29,261	
	Off-reckoning funds	54,625	
	Carnatic fund	87,617	
	Advances to public institutions, &c., repayable in India	39,346	
	Remittances from China to India	480,000	
	Bills drawn from St. Helena, discharged in England	110,327	
	Ditto Bencoolen ditto	759	
	Ditto India, effects of deceased officers, &c.	26,896	
			2,073,048
	To Balance transferred from Account (No. 2), being the excess of payments for bills drawn for interest of India debt beyond the amount of remittances realized to meet those bills		399,079
		£.	3,203,864

respect to Territorial and Political Payments made in England—*continued.*

- - - - - - - - - 1816–17.

			£.
1817: 30 April.	BY Balance transferred from Account (No. 2), being the excess of Territorial Remittances in 1816–17 above the amount of payments for bills drawn for interest of India debt - - - - - - - - - - - - -		234,035
	By Balance of Advances made by the Territorial to the Commercial Department, at Bengal - - - - - - - - - -	£. 822,556	
	By - - ditto - - ditto - - Madras - - - - -	439,438	
	By - - ditto - - ditto - - Bombay - - - - -	304,569	
	By - - ditto - - ditto - - Bencoolen - - - - -	15,980	
	By - - ditto - - ditto - - St. Helena - - - - -	19	
	By - - ditto - - ditto - - P. W. Island - - - -	195	
			1,582,757
		£.	1,816,792
	By Balance due to the Commercial Branch on 30 April 1817 - - -		731,737
		£.	2,548,529

- - - - - - - - - 1817–18.

			£.
1818: 30 April.	BY Balance of Advances made by the Territorial to the Commercial Department at Bengal - - - - - - - - -	£. 1,102,139	
	By - - ditto - - ditto - - Madras - - - -	483,386	
	By - - ditto - - ditto - - Bombay - - - - -	272,943	
	By - - ditto - - ditto - - Bencoolen - - - - -	21,011	
	By - - ditto - - ditto - - St. Helena - - - - -	115	
	By - - ditto - - ditto - - P. W. Island - - - -	4,280	
			1,883,874
	By Balance due to the Commercial Branch on 30 April 1818 - - - -		1,319,990
		£.	3,203,864

No. 7. (1.)—Territorial Branch in Account with the Commercial Branch in

1818–19.

			£.
1818: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of the Season 1817–18		1,319,990
1819: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1818–19:		
	Officers pay	£. 170,109	
	Passage of military, and supplies to them on the voyage	63,416	
	Political freight and demorage, exclusive of amount charged on exports	159,656	
	Interest on loan of 2,500,000 *l.* from the Public in 1812	96,384	
	Redemption of above loan	147,418	
	Political charges general, exclusive of advances recoverable in India	273,324	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	14,489	
	Sundry expenses on account of St. Helena	7,783	
	Ditto P. W. Island	500	
	Territorial stores exported from England to India	312,181	
	Ditto ditto St. Helena	166,837	
	Ditto ditto P. W. Island	825	
	Ditto ditto Bencoolen	1,036	
	Ditto from China and the Cape to India	1,230	
	Ditto ditto St. Helena	40,886	
	Off-reckoning funds	61,545	
	Carnatic fund	126,487	
	Advances to public institutions, &c. repayable in India	43,617	
	Remittances from China to India	96,000	
	Bills drawn from St. Helena, discharged in England	140,770	
	Ditto P. W. Island ditto	146	
	Ditto Bencoolen ditto	3,084	
	Ditto India, effects of deceased officers, &c.	15,045	
	Cast-iron bridge, &c. for the Nabob of Oude	95	
			1,942,863
	To Balance transferred from Account (No. 2), being the excess of payments for bills drawn for interest of India debt beyond the amount of remittances realized to meet those bills		162,623
		£.	3,425,476

1819–20.

			£.
1819: 1 May	TO Balance due to the Commercial Branch, under this Head, at the close of the Season 1818–19		2,212,084
1820: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1819–20:		
	Officers pay	£. 177,477	
	Passage of military, and supplies to them on the voyage	42,120	
	Political freight and demorage, exclusive of amount charged on exports	111,872	
	Interest on loan of 2,500,000 *l.* from the Public in 1812	90,183	
	Redemption of above loan	153,562	
	Political charges general, exclusive of advances recoverable in India	285,056	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	10,805	
	Sundry expenses on account of St. Helena	10,087	
	Ditto P. W. Island	1,173	
	Territorial stores exported from England to India	371,412	
	Ditto ditto St. Helena	94,242	
	Ditto ditto P. W. Island	1,545	
	Ditto from China and the Cape to St. Helena	44,312	
	Bullion exported to St. Helena	52,088	
	Off-reckoning funds	84,264	
	Carnatic fund	85,448	
	Advances to public institutions, &c. repayable in India	35,000	
	Bills drawn from St. Helena, discharged in England	135,537	
	Ditto P. W. Island	77	
	Ditto Bencoolen	2,500	
	Bills drawn from India, effects of deceased officers, &c.	10,521	
	Deduct,	£. 1,799,281	
	Territorial stores from England to Bencoolen; amount recovered for short deliveries of exports of former seasons	77	
			1,799,204
	To Balance transferred from Account (No. 2), being the excess of payments for bills drawn for interest of India debt beyond the amount of remittances realized to meet those bills		72,659
		£.	4,083,947

respect to Territorial and Political Payments made in England—*continued.*

- - - - - - - - - 1818–19.

1819: 30 April.	BY Balance of Advances made by the Territorial to the Commercial Department at Bengal - - - - - - - - -	£. 591,017	£.
	By - - ditto - - ditto - - Madras - - - -	411,479	
	By - - ditto - - ditto - - Bombay - - - -	213,070	
	By - - ditto - - ditto - - St. Helena - - -	227	
		£. 1,215,793	
	Deduct Balance of Advances made by the Commercial to the Territorial Department at Prince of Wales Island - - - - -	2,401	
			1,213,392
	By Balance due to the Commercial Branch, 30 April 1819 - - - -		2,212,084
		£.	3,425,476

- - - - - - - - - 1819–20.

1820: 30 April.	BY Balance of Advances made by the Territorial to the Commercial Department at Bengal - - - - - - - - -	£. 1,555,650	£.
	By - - ditto - - ditto - - Madras - - - -	256,643	
	By - - ditto - - ditto - - Bombay - - - -	18,897	
	By - - ditto - - ditto - - Bencoolen - - - -	10,976	
	By - - ditto - - ditto - - P. W. Island - - -	600	
	By - - ditto - - ditto - - St. Helena - - - -	1,212	
			1,843,978
	By Balance due to the Commercial Branch on 30 April 1820 - - - -		2,239,969
		£.	4,083,947

(*continued*)

No 7. (1.)—Territorial Branch in Account with the Commercial Branch, in

1820–21. - - - - - - - -

			£.
1820: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of Season 1819-20		2,239,969
1821: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1820–21:		
	Officers pay	£. 179,636	
	Passage of military, and supplies to them on the voyage	40,332	
	Political freight and demorage, exclusive of amount charged on exports	71,099	
	Interest on loan of 2,500,000 *l.* from the Public in 1812	83,343	
	Redemption of above loan	160,336	
	Political charges general, exclusive of advances recoverable in India	279,408	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	2,512	
	Sundry expenses on account of St. Helena	9,151	
	Ditto P. W. Island	370	
	Ditto Bencoolen	47	
	Territorial stores exported from England to India	364,714	
	Ditto ditto St. Helena	46,026	
	Ditto ditto Bencoolen	391	
	Ditto from China and the Cape to St. Helena	34,132	
	Off-reckoning funds	58,688	
	Carnatic fund	107,802	
	Advances to public institutions, &c. repayable in India	78,353	
	Bills drawn from St. Helena, discharged in England	134,914	
	Ditto P. W. Island ditto	52	
	Ditto Bencoolen ditto	2,098	
	Ditto India, effects of deceased officers, &c.	16,013	
	Cast-iron bridge for the Nabob of Oude	145	
			1,669,562
	To Balance transferred from Account (No. 2), being the excess of payments for bills drawn for interest of India debt beyond the amount of remittances realized to meet those bills		416,805
		£.	4,326,336

1821–22. - - - - - - - -

			£.
1821: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of Season 1820–21		2,370,675
1822: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1821–22:		
	Officers pay	£. 183,974	
	Passage of military, and supplies to them on the voyage	63,448	
	Political freight and demorage, exclusive of amount charged on exports	117,015	
	Interest on loan of 2,500,000 *l.* from the Public in 1812	76,593	
	Redemption of above loan	167,018	
	Political charges general, exclusive of advances recoverable in India	298,503	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	2,899	
	Sundry expenses on account of St. Helena	10,697	
	Ditto P. W. Island	1,728	
	Ditto Bencoolen	36	
	Territorial stores exported from England to India	321,371	
	Ditto ditto St. Helena	19,496	
	Ditto ditto P. W. Island	6,076	
	Ditto ditto Bencoolen	1,284	
	Ditto from China and the Cape to India	1,322	
	Ditto ditto St. Helena	13,757	
	Off-reckoning funds	73,834	
	Carnatic fund	85,124	
	Advances to public institutions, &c. repayable in India	72,567	
	Bills drawn from St. Helena, discharged in England	117,125	
	Ditto P. W. Island ditto	6	
	Ditto India, effects of deceased officers, &c.	12,832	
			1,646,705
		£.	4,017,380

respect to Territorial and Political Payments made in England—*continued.*

- - - - - - - - - 1820–21.

			£.
1821: 30 April.	BY Balance of Advances made by the Territorial to the Commercial Department, at Bengal - - - - - - - - -	£. 1,532,854	
	By - - ditto - - ditto - - Madras - - - -	266,870	
	By - - ditto - - ditto - - Bombay - - - -	133,259	
	By - - ditto - - ditto - - Bencoolen - - - -	20,585	
	By - - ditto - - ditto - - P. W. Island - - -	2,218	
			1,955,786
	Deduct Balance of Advances made by the Commercial to the Territorial Department at St. Helena - - - - - - - - - - - -		125
		£.	1,955,661
	By Balance due to the Commercial Branch on 30 April 1821 - - - -		2,370,675
		£.	4,326,336

- - - - - - - - - 1821–22.

			£.
1822: 30 April.	BY Balance transferred from Account (No. 2), being the excess of Territorial Remittances in 1821–22 above amount of Payments for Bills drawn for Interest of India Debt - - - - - - - - - - - - -		196,725
	By Balance of Advances made by the Territorial to the Commercial Department, at Bengal - - - - - - - - -	£. 1,500,482	
	By - - ditto - - ditto - - Madras - - - -	237,190	
	By - - ditto - - ditto - - Bencoolen - - - -	33,917	
	By - - ditto - - ditto - - Prince of Wales Island -	1,050	
		1,772,639	
	Deduct Balance of Advances made by the Commercial to the Territorial Department at Bombay - - - - - - - - -	92,596	
			1,680,043
	By Amount of Unclaimed Prize Money received in England, applicable to Lord Clive's Fund - - - - - - - - - - - -		51,121
		£.	1,927,889
	By Balance due to the Commercial Branch on 30 April 1822. - - - -		2,089,491
		£.	4,017,380

No. 7. (1.)—Territorial Branch in Account with the Commercial Branch in

1822–23.

			£.
1822. 1st May.	TO Balance due to the Commercial Branch, under this Head, at the close of Season 1821–22		2,089,491
1823. 30th April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1822–23:		
	Officers pay	£. 195,698	
	Passage of military, and supplies to them on the voyage	102,092	
	Political freight and demorage, exclusive of amount charged on exports	69,077	
	Redemption of loan of 2,500,000 *l.* from the Public in 1812	557,335	
	Political charges general, exclusive of advances recoverable in India	323,724	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	1,641	
	Sundry expenses on account of St. Helena	10,392	
	Ditto P. W. Island	314	
	Territorial stores exported from England to India	365,826	
	Ditto ditto St. Helena	45,097	
	Ditto ditto Bencoolen	1,586	
	Ditto ditto P. W. Island	4,120	
	Ditto from China and the Cape to St. Helena	15,639	
	Off-reckoning funds	65,374	
	Carnatic fund	96,014	
	Advances to public institutions, &c., repayable in India	67,941	
	Bills drawn from St. Helena, discharged in England	76,682	
	Ditto Bencoolen ditto	1,557	
	Ditto India, effects of deceased officers, &c.	11,293	
	Demands of Pay-office General, on account of King's troops serving in India	100,000	
			2,111,402
		£.	4,200,893

1823–24.

			£.
1823: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of Season 1822–23		1,564,638
1824: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1823–24:		
	Officers pay	£. 199,431	
	Passage of military, and supplies to them on the voyage	41,539	
	Political freight and demorage ,exclusive of amount charged upon exports	95,763	
	Political charges general, exclusive of advances recoverable in India	298,972	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	2,228	
	Sundry expenses on account of St. Helena	2,988	
	Ditto P. W. Island	206	
	Retiring pay, pensions, &c. to King's troops	120,002	
	Territorial stores exported from England to India	395,276	
	Ditto ditto St. Helena	37,170	
	Ditto ditto Bencoolen	8,218	
	Ditto from China and the Cape to St. Helena	13,430	
	Off-reckoning funds	133,383	
	Carnatic fund	99,173	
	Advances to public institutions, &c., repayable in India	93,032	
	Bills drawn from St. Helena, discharged in England	43,564	
	Ditto India, effects of deceased officers, &c.	44,932	
			1,629,307
	To Balance transferred from Account (No. 2), being the excess of payments for bills drawn for principal and interest of India debt beyond the amount of remittances realized to meet those bills		2,204,514
		£.	5,398,459

respect to Territorial and Political Payments made in England—*continued.*

1822–23.

1823: 30 April.	BY Balance transferred from Account (No. 2), being the excess of Territorial Remittances in 1822–23 above amount of Payments for Bills drawn for Interest of India Debt		£. 374,389
	By Balance of Advances made by the Territorial to the Commercial Department at Bengal	£. 1,744,614	
	By ditto ditto Madras	165,213	
	By ditto ditto Bombay	304,034	
	By ditto ditto St. Helena	288	
	By ditto ditto Bencoolen	43,087	
	By ditto ditto Prince of Wales Island	1,226	
			2,258,462
	By Amount of unclaimed Prize Money received in England, applicable to Lord Clive's Fund		3,404
		£.	2,636,255
	By Balance due to the Commercial Branch on 30 April 1823		1,564,638
		£.	4,200,893

1823–24.

1824: 30 April.	By Balance of Advances made by the Territorial to the Commercial Department:		£.
	At Bengal	£. 1,957,929	
	Madras	147,046	
	Bombay	108,790	
	Bencoolen	43,173	
	St. Helena	951	
			2,257,889
	By Amount of unclaimed Prize Money received in England, applicable to Lord Clive's Fund		2,423
		£.	2,260,312
	By Balance due to the Commercial Branch, 30 April 1824		3,138,147
		£.	5,398,459

(*continued*)

No. 7. (1.)—Territorial Branch in Account with the Commercial Branch in

1824–25.

			£.
1824: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of Season 1823–24		3,138,147
1825: 30 April	To Amount of Territorial Advances and Charges in England, &c., in the year 1824–25:		
	Officers pay	£. 220,940	
	Passage of military, and supplies to them on the voyage	63,383	
	Political freight and demorage, exclusive of amount charged on exports	132,499	
	Political charges general, exclusive of advances recoverable in India	319,026	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	1,905	
	Sundry expenses on account of St. Helena	5,190	
	Ditto P. W. Island	262	
	Retiring pay, pensions, &c. to King's troops	60,000	
	Demands of Pay-office General, in respect of King's troops serving in India	347,887	
	Tanjore debts, charges of commission	1,191	
	Territorial stores exported from England to India	414,181	
	Ditto ditto St. Helena	55,910	
	Ditto ditto P. W. Island	3,754	
	Ditto from China and the Cape to St. Helena	8,153	
	Ditto ditto Bengal	1,246	
	Off-reckoning funds	70,814	
	Carnatic fund	87,948	
	Advances to public institutions, &c. repayable in India	88,506	
	Bills drawn from St. Helena, discharged in England	44,443	
	Ditto Bencoolen ditto	1,200	
	Ditto India, effects of deceased officers, &c.	21,870	
			1,950,308
		£.	5,088,455

1825–26.

			£.
1825: 1 May	TO Balance due to the Commercial Branch, under this Head, at the close of Season 1824–25		2,240,756
1826: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1825–26:		
	Officers pay	£. 241,555	
	Passage of military, and supplies to them on the voyage	123,100	
	Political freight and demorage, exclusive of amount charged on exports	75,022	
	Political charges general, exclusive of advances recoverable in India	334,511	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	3,075	
	Sundry expenses on account of St. Helena	6,351	
	Ditto P. W. Island, Singapore and Malacca	247	
	Retiring pay, pensions, &c. to King's troops	60,000	
	Demands of Pay-office General, in respect of King's troops serving in India	120,000	
	Tanjore debts, charges of commission	1,194	
	Civil establishments of India, absentee allowance	245	
	Territorial stores exported from England to India	740,728	
	Ditto ditto St. Helena	53,136	
	Ditto ditto P. W. Island, Singapore and Malacca	9,329	
	Ditto China and the Cape to St. Helena	12,799	
	Off-reckoning funds	114,279	
	Carnatic fund	91,126	
	Advances to public institutions, &c. repayable in India	118,664	
	Bills drawn from St. Helena, discharged in England	36,344	
	Ditto India, effects of deceased officers, &c.	50,529	
			2,192,234
	To Claims allowed out of prize money applicable to Lord Clive's Fund		599
	To Claims of His Majesty's Government for cinnamon, delivered subsequently to the 30th April 1822, the Territorial Branch having received credit prior to that date for the whole quantity of cinnamon supplied under the contract		29,054
	To Balance transferred from the Account (No. 2), being the excess of payments for bills drawn for principal and Interest of India Debt, &c. beyond the amount of remittances realized to meet those bills		1,030,892
		£.	5,493,535

respect to Territorial and Political Payments made in England—*continued.*

1824–25.

			£.
1825: 30 April.	BY Balance transferred from Account (No. 2), being the excess of Territorial Remittances in 1824–25 beyond the amount of Payments for Bills drawn for Principal and Interest of India Debt, &c.		170,122
	By Balance of Advances made by the Territorial to the Commercial Department:		
	At Bengal	£. 2,247,704	
	Madras	222,767	
	Bombay	144,266	
	St. Helena	781	
	Bencoolen	59,313	2,674,831
	By Amount of unclaimed Prize Money received in England, applicable to Lord Clive's Fund		2,746
		£.	2,847,699
	By Balance due to the Commercial Branch, 30 April 1825		2,240,756
		£.	5,088,455

1825–26.

			£.
1826: 30 April	BY Balance of Advances made by the Territorial to the Commercial Department:		
	At Bengal	£. 2,062,441	
	Madras	94,921	
	Bombay	71,783	
	St. Helena	1,773	
	P. W. Island	24,643	2,255,561
	By Balance due to the Commercial Branch, 30 April 1826		3,237,974
		£.	5,493,535

No. 7. (1.)—Territorial Branch in Account with the Commercial Branch in

1826–27. - - - - - - - - -

1826: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of Season 1825–26 - - - - - - - - - - - - - -		£. 3,237,974
1827: 30 April.	To Amount of Territorial Advances and Charges in England, &c., in the year 1826–27:		
	Officers pay - - - - - - - - - - - - -	£. 252,940	
	Passage of military, and supplies to them on the voyage - - -	106,474	
	Political freight and demorage, exclusive of amount charged on exports	93,239	
	Political charges general, exclusive of advances recoverable in India -	336,263	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c. - - - - - - - - - - - - -	3,702	
	Sundry expences on account of St. Helena - - - - - -	4,939	
	Ditto - - ditto - - P. W. Island, Singapore and Malacca	1,559	
	Retiring pay, pensions, &c. to King's troops - - - - - -	60,000	
	Demands of the Pay-office General, in respect of King's troops serving in India - - - - - - - - - - - - -	234,470	
	Tanjore debts, charges of the commission - - - - - -	1,561	
	Civil establishments of India, absentee allowance, and Bengal annuity fund - - - - - - - - - - - - - -	13,739	
	Territorial stores, exported from England to India - - - -	1,111,792	
	Ditto - - ditto - - St. Helena - - -	46,835	
	Ditto - - ditto - - P. W. Island, Singapore and Malacca - -	9,500	
	Ditto - - from China and the Cape to India - -	2,833	
	Ditto - - - ditto - - - St. Helena -	10,166	
	Off-reckoning funds - - - - - - - - - - -	168,169	
	Carnatic fund - - - - - - - - - - - -	106,059	
	Advances to public institutions, &c., repayable in India - - -	122,561	
	Bills drawn from St. Helena, discharged in England - - -	36,891	
	Ditto - - India, effects of deceased officers, &c. - - -	77,494	
	Expense of naval force employed in India - - - - - -	44,749	
			2,845,935
	To Balance transferred from the Account (No. 2), being the excess of payments for bills of exchange drawn for principal and interest of India debt, &c., beyond the amount of remittances realized to meet those bills - - - - -		411,247
		£.	6,495,156

respect to Territorial and Political Payments made in England—*continued.*

- - - - - - - - 1826–27.

1827: 30 April.	BY Balance of Advances made by the Territorial to the Commercial Department:		£.
	At Bengal - - - - - - - - -	£. 2,212,901	
	Madras - - - - - - - - -	244,427	
	Bombay - - - - - - - - -	117,129	
	St. Helena - - - - - - - -	1,427	
	P. W. Island - - - - - - - -	2,602	
			2,578,486
	By Amount of unclaimed Prize Money received in England, applicable to Lord Clive's Fund - - - - - - - - - - - - - - - -		3,352
		£.	2,581,838
	By Balance due to Commercial Branch, 30 April 1827 - - - - - -		3,913,318
		£.	6,495,156

(continued)

No. 7. (1.)—Territorial Branch in Account with the Commercial Branch in

1827–28.

			£.
1827: 1 May.	TO Balance due to the Commercial Branch, under this Head, at close of Season 1826–27		3,913,318
	Deduct, Amount of sundry Adjustments to 30 April 1827, in the Territorial Charges paid in England operating in reduction of the Balance due to the Commercial Branch		39,640
			3,873,678
1828: 30 April.	To Amount of Territorial Charges and Advances in England, &c., in 1827–28:		
	Officers pay	£. 279,564	
	Passage of military, and supplies to them on the voyage	68,761	
	Political freight and demorage, exclusive of amount charged on exports	134,435	
	Politieal charges general, exclusive of advances recoverable in India	335,174	
	Payments at China and the Cape to military officers, His Majesty's Navy, &c.	619	
	Sundry expenses on account of St. Helena	12,614	
	Ditto ditto P. W. Island, Singapore and Malacca	1,268	
	Retiring pay, pensions, &c. to King's troops	60,000	
	Demands of the Pay-office General, in respect to ditto	211,452	
	Tanjore debts, charges of the commission	1,673	
	Civil establishments of India, absentee allowance and passage-money	29,876	
	Ditto Annuity funds	7,866	
	Territorial stores exported from England to India	805,016	
	Ditto ditto St. Helena	44,372	
	Ditto ditto P. W. Island, &c.	3,064	
	Ditto China and the Cape to India	1,387	
	Ditto ditto St. Helena	10,133	
	Off-reckoning funds	120,308	
	Carnatic fund	118,440	
	Advances to public institutions, &c., repayable in India	130,800	
	Bills drawn from St. Helena, discharged in England	49,382	
	Ditto P. W. Island ditto	40	
	Ditto India, effects of deceased officers, &c.	49,008	
			2,475,252
	To Claims allowed out of Prize-Money, applicable to Lord Clive's Fund		125
	To Balance transferred from Account (No. 2), being the excess of payments for bills of exchange drawn for principal and interest of India debt, &c. beyond the amount of remittances realized to meet those bills		427,397
	To adjustment in the amount of Territorial Charges paid in England, arising from the amount of those charges not having been fully ascertained at the period of making up the annual account of receipts and payments for the year 1827–28		23,161
		£.	6,799,613

respect to Territorial and Political Payments made in England—*continued.*

- - - - - - - - - 1827-28.

1828: 30 April.	BY Balance of Advances made by the Territorial to the Commercial Department:		£.
	At Bengal - - - - - - - -	£. 2,608,032	
	Madras - - - - - - - - -	358,628	
	Bombay - - - - - - - - -	173,857	
	St. Helena - - - - - - - -	2,541	
	P. W. Island - - - - - - -	48	
			3,143,106
	By Balance due to the Commercial Branch, on 30 April 1828 - - - -		3,656,507
		£.	6,799,613

No. 7. (1.)—Territorial Branch in Account with the Commercial Branch in

1828–29. - - - - - - - - -

1828: 1 May.	TO Balance due to the Commercial Branch, under this Head, at the close of the Season 1827–28 - - - - - - - - - - - - -				£. 3,656,507
1829: 30 April.	To Amount of Territorial Charges and Advances in England, in 1828–29:				
	Officers pay - - - - - - - - - - - -		£. 301,356		
	Passage of military, and supplies to them on the voyage - - -		72,730		
	Political freight and demorage, exclusive of amount charged on exports		106,663		
	Political charges general, exclusive of advances recoverable in India -		366,532		
	Sundry expenses on account of St. Helena - - - - -		5,285		
	Ditto - - ditto - - P. W. Island, &c. - - - -		1,202		
	Retiring pay, pensions, &c. to King's troops - - - - -		60,000		
	Demands of the Pay-office General, in respect to ditto - - -		354,801		
	Tanjore debts, charges of the commission - - - - - -		1,705		
	Civil establishments of India, absentee allowance and passage-money -		36,369		
	Amount paid under the arrangement entered into with the government of Persia - - - - - - - - - - - -		124,444		
	Civil establishments of India, annuity funds - - - - -		14,555		
	Territorial stores exported from England to India - - - -		449,754		
	Ditto - - ditto - - St. Helena - - -		49,986		
	Ditto - - ditto - - P. W. Island, &c. - -		3,834		
	Off-reckoning funds - - - - - - - - - -		86,716		
	Carnatic fund - - - - - - - - - - -		94,583		
	Advances to public institutions, &c. repayable in India - - -		139,300		
	Bills drawn from St. Helena, discharged in England - - - -		45,255		
	Ditto from India, effects of deceased officers, &c. - - - -		60,109		
			£. 2,375,179		
	Payments at China and the Cape to military officers, His Majesty's Navy, &c. - - - - - - - - -	£. 3,680			
	Territorial stores exported from China and Cape to India	11,050			
	Ditto - - - ditto - - St. Helena	11,284			
			26,014		
		£.	2,401,193		
	Deduct, Amount of sundry adjustments in Territorial Charges in England, operating in reduction of the above amount - - - -		547		2,400,646
			£.		6,057,153

East India House,
6 April 1832.

respect to Territorial and Political Payments made in England—*continued.*

- - - - - - - - - 1828–29.

1829: 30 April.	BY Amount of Unclaimed Prize Money received in England, applicable to Lord Clive's Fund - - - - - - - - - - - - -		£. 1,968
	By Balance transferred from Account (No. 2), being the excess of Territorial Remittances in 1828–29 beyond the amount of Payments for Bills drawn on account of Principal and Interest of India Debt, &c. - - - - - - - -		37,756
	By Balance of Advances made by the Territorial to the Commercial Department:		
	At Bengal - - - - - - - - -	£. 2,599,097	
	Madras - - - - - - - - -	262,778	
	Bombay - - - - - - - - -	117,000	
	St. Helena - - - - - - - - -	1,961	
	P. W. Island - - - - - - - -	12	
			2,980,848
		£.	3,020,572
	By Balance due to the Commercial Branch, on the 30th April 1829 - - -		3,036,581
	Balance due to the Commercial Branch, on 30th April 1829, exclusive of interest brought down - - - - - -	£. 3,036,581	
	Add,		
	Interest accrued on the above Account from 1814–15 to 1828–29, as taken credit for in the Account of the Company's Profits (No. 3.) - - - - - - -	1,536,078	
	Amount expended by the Commerce, for articles intended for exportation in the Territorial Branch, not chargeable in the Account Current with the Territory (under the arrangement of 1814) until the period of their shipment, but remaining as an asset in the Territorial Branch - -	59,247	
	TOTAL Balance due to the Commercial Branch as above, as shown in the Account of the Company's Commercial Capital on 1 May 1829 (No. 2.) - - - - -	£. 4,631,906	
		£.	6,057,153

(Errors excepted.)

(signed) *Thomas S. Cabell,*
Depy Acct Genl.

No. 7. (2.)—TERRITORIAL BRANCH of the AFFAIRS of the EAST INDIA COMPANY in Account of Interest on Indian Debt, &c., in each Year,

1814–15.

1815: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1814–15 - - - - - - - - - - - -	£. 834,022
	£.	834,022

1815–16.

1816: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1815–16 - - - - - - - - - - - -	£. 412,039
	£.	412,039

1816–17.

1817: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1816–17 - - - - - - - - - - -	£. 270,031
	To Balance, being the excess of Territorial Remittances realized in the current year above the amount of Bills for Interest on Indian Debt discharged in the same period; transferred to the credit of the Account with the Territorial Branch (No. 1.) - - - - - - - - - - - - -	234,035
	£.	504,066

with the COMMERCIAL BRANCH, in respect to Bills of Exchange drawn from *India*, on account from 1st May 1814 to 1st May 1829.

- - - - - - - - - 1814–15.

			£.
1815. 30 April:	BY Amount of Remittances realized in 1814–15 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India - - - - - - - - -	£. 142,756	
	Ditto for bills drawn by the Court on India - - - - - - - -	7,891	
	Ditto of Government, on further account of the Company's claims on the Public	103,223	
	Sum passed to the credit of Government, in their Account with the Company; viz.		
	Net produce of spices sold in the Year - - - - - - - -	154,521	
	Net produce of bullion received per Stirling Castle from Fort St. George - -	324,015	
		£. 732,406	
	Deduct,		
	Disbursements in England and China, on account of the Public, included in the Company's claims upon Government in the Territorial Department - -	74,639	
			657,767
	By Balance, being the excess of bills of exchange, on account of interest on Indian Debt discharged in England in the year, beyond the amount of Remittances realized to meet the payment of those bills; transferred to the debit of the Account with the Territorial Branch (No. 1.) - - - - - - - - - - - - - - - -		176,255
		£.	834,022

- - - - - - - - - 1815–16.

			£.
1816: 30 April.	BY Amount of Remittances realized in 1815–16 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India - - - - - - - - -	£. 154,673	
	Ditto for bills drawn by the Court on India - - - - - - - -	520	
	Sum passed to the credit of Government, in their Account with the Company; viz.		
	Net produce of spices sold in the year - - - - - - - - -	118,030	
		£. 273,223	
	Deduct,		
	Disbursements in England and China, on account of the Public, included in the Company's claims upon Government in the Territorial Department - -	152,941	
			120,282
	By Balance, being the excess of bills of exchange, on account of interest on Indian Debt discharged in England in the year, beyond the amount of Remittances realized to meet the payment of those bills; transferred to the debit of the Account with the Territorial Branch (No. 1.) - - - - - - - - - - - - - - - -		291,757
		£.	412,039

- - - - - - - - - 1816–17.

			£.
1817: 30 April.	BY Amount of Remittances realized in 1816–17 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India - - - - - - - - -	£. 123,484	
	Ditto for bills drawn by the Court on India - - - - - - - -	517	
	Ditto of Government, on further account of Company's claims on the Public -	387,145	
	Sum passed to the credit of Government, in their Account with the Company; viz.		
	Net produce of spices sold in the year - - - - - - - - -	26,932	
		£. 538,078	
	Deduct,		
	Disbursements in England and China, on account of the Public, included in the Company's claims upon Government in the Territorial Department - -	34,012	
			504,066

No. 7. (2.)—Territorial Branch in Account with the Commercial Branch, in respect

1817–18.

		£.
1818: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1817–18 - - - - - - - - - -	396,076
	To Treasury Notes of the Indian governments, discharged in England by Bills of Exchange - - - - - - - - - - - - - - -	158,617
	£.	554,693

1818–19.

		£.
1819: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1818–19 - - - - - - - - - - -	611,431
	£.	611,431

1819–20.

		£.
1820: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1819–20 - - - - - - - - - - -	355,514
	To Treasury Notes of the Bombay government, discharged in England by Bills of Exchange - - - - - - - - - - - - - - -	76,946
	£.	432,460

to Bills of Exchange drawn on account of Interest on Indian Debt, &c.—*continued.*

1817–18.

			£.
1818: 30 April.	BY Amount of Remittances realized in 1817–18 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India	£. 71,113	
	Ditto for bills drawn by the Court on India	481	
	Sum passed to the credit of Government, in their Account with the Company; viz. Net produce of spices sold in the year	110,616	
	Deduct,	£. 182,210	
	Disbursements in England and China, on account of the Public, included in the Company's claims upon government in the Territorial Department	26,596	155,614
	By Balance, being the excess of bills of exchange, on account of interest on Indian Debt discharged in England in the year, beyond the amount of Remittances realized to meet the payment of those bills; transferred to the debit of the Account with the Territorial Branch (No. 1.)		399,079
		£.	554,693

1818–19.

			£.
1819: 30 April.	BY Amount of Remittances realized in 1818–19 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India	£. 162,464	
	Ditto for bills drawn by the Court on India	425	
	Sum passed to the credit of Government, in their Account with the Company; viz. Net produce of spices sold in the year	77,432	
	Payment from the Dutch government, for bills drawn on them	198,182	
	Ditto from the Navy Board, for ships built for His Majesty's service	26,874	
	Deduct,	£. 465,377	
	Disbursements in England and China, on account of the Public, included in the Company's claims upon Government in the Territorial Department	16,569	448,808
	By Balance, being the excess of bills of exchange, on account of interest on Indian Debt discharged in England in the year, beyond the amount of Remittances realized to meet the payment of those bills; transferred to the debit of the Account with the Territorial Branch (No. 1.)		162,623
		£.	611,431

1819–20.

			£.
1820: 30 April.	BY Amount of Remittances realized in 1819–20 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India	£. 136,541	
	Ditto for bills drawn by the Court on India	1,010	
	Sum passed to the credit of Government, in their Account with the Company; viz. Net produce of spices sold in the year	70,555	
	Payment from the Dutch government, for bills drawn on them	107,243	
	Ditto from the Navy Board, for ships built in India for His Majesty's service	40,275	
	Disbursements in England on account of the Public service, excess of credits to that Account	4,177	359,801
	By Balance, being the excess of bills of exchange, on account of interest on Indian Debt discharged in England in the year, beyond the amount of Remittances realized to meet the payment of those bills; transferred to the debit of the Account with the Territorial Branch (No. 1.)		72,659
		£.	432,460

(*continued*)

No. 7. (2.)—Territorial Branch in Account with the Commercial Branch, in respect

1820–21.

1821: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1820–21	£. 678,988
	To Treasury Notes of the Bombay government, discharged in England by Bills of Exchange	39,801
	£.	718,789

1821–22.

1822: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1821–22	£. 1,562,522
	To Balance, being the excess of Territorial Remittances realized in the current year above the amount of Bills for Interest on Indian Debt discharged in the same period; transferred to the credit of the Account with the Territorial Branch (No. 1.)	196,725
	£.	1,759,247

1822–23.

1823: 30 April.	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1822–23	£. 1,419,587
	To Balance, being the excess of Territorial Remittances realized in the current year above the amount of Bills for Interest on Indian Debt discharged in the same period; transferred to the credit of the Account with the Territorial Branch (No. 1.)	374,389
		1,793,976

to Bills of Exchange drawn on account of Interest on Indian Debt, &c.—*continued.*

- - - - - - - - - 1820–21.

1821: 30 April.	BY Amount of Remittances realized in 1820–21 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India - - - - - - - - -	£. 200,561	
	Ditto for bills remitted from Holland, received in discharge of bills drawn on the government of the Netherlands - - - - - - - - -	42,086	
	Ditto for bills drawn by the Court on India - - - - - - - -	7,728	
	Ditto of the Congregation de Propagandâ Fide, on account of advances made to missionaries in India - - - - - - - - - -	200	
	Sum passed to the credit of Government in their Account with the Company; viz.		
	Net Produce of spices sold in the year - - - - - - - -	55,403	
	Deduct,	£. 305,978	
	Disbursements in England and China, on account of the Public, included in the Company's claim upon Government in the Territorial Department - -	3,994	
			301,984
	By Balance, being the excess of Bills of Exchange, on account of Interest on Indian Debt discharged in England in the year, beyond the amount of Remittances realized to meet the payment of those Bills; transferred to the debit of the Account with the Territorial Branch (No. 1.) - - - - - - - - - - - - - - - - -		416,805
		£.	718,789

- - - - - - - - - 1821–22.

			£.
1822: 30 April.	BY Amount of Remittances realized in 1821–22 to meet Payments made per Contra:		
	Received for bills drawn in the Company's, favour for supplies furnished from Territorial funds in India - - - - - - - - -	£. 130,058	
	Sum passed to the credit of Government, in their Account with the Company; viz.		
	Net produce of spices sold in the year - - - - - - - -	20,542	
	Received of Government, on account of sums advanced to His Majesty's land forces at St. Helena - - - - - - - - - - - -	117,236	
	Amount directed to be applied by the Bengal government, under the Court's Orders of 29th June 1821, to the redemption of Indian Debt, as a mode of remittance of equal amount, to meet interest bills paid by means of surplus Commercial profits - - - - - - - - - - - -	1,500,000	
		£. 1,767,836	
	Deduct,		
	Disbursements in England, on account of the Public, included in the Company's claims upon Government in the Territorial Department - - - -	8,589	
			1,759,247

- - - - - - - - - 1822–23.

			£.
1823: 30 April.	BY Amount of Remittances realized in 1822–23 to meet Payments made per Contra:		
	Received for Bills drawn in the Company's favour, for supplies furnished from Territorial funds in India - - - - - - - - -	£. 148,365	
	Produce of Molucca spices sold in the Year - - - - - - - -	22,777	
	Produce of bullion received from India - - - - - - - - -	1,623,958	
		£. 1,795,100	
	Deduct,		
	Disbursements in England on account of the Public, included in the Company's claims upon Government in the Territorial Department - - - -	1,124	
			1,793,976

No. 7. (2.)—Territorial Branch in Account with the Commercial Branch, in respect

1823–24. - - - - - - - - -

1824: 30 April.			£.
	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1823–24 - - - - - - - - - - - - -		620,132
	To Amount of Bills drawn for Principal of Indian Debt, discharged in England, in 1823–24, in excess of the Amount agreed to be discharged from Surplus Commercial Profits:		
	Total amount of principal of bills discharged as above - - -	£. 2,965,333	
	Deduct, amount agreed to be discharged from surplus commercial profits -	1,396,842	
			1,568,491
	To Amount of sundry Payments in England, to be deducted from Funds realized, per Contra; viz.		
	Charges, on account of the importation of bullion in 1822–23, on the Territorial account - - - - - - - - - - - - - - -	£. 1,459	
	Freight of stores, &c., chargeable to His Majesty's Government - - -	45	
	Payments to His Majesty's Government, on account of spices imported from the Moluccas - - - - - - - - - - - - -	112,303	
			113,807
		£.	2,302,430

1824–25. - - - - - - - - -

1825: 30 April.			£.
	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1824–25 - - - - - - - - - - - - -		421,138
	To Amount of Bills drawn for Principal of Indian Debt, discharged in England, 1824–25 -		415,470
	To Amount of sundry Payments in England, to be deducted from Funds realized, per Contra:		
	Freight of stores, &c., chargeable to His Majesty's Government - - -	£. 2,132	
	Payments to His Majesty's Government, on account of proceeds of spices from the Moluccas - - - - - - - - - - - - -	69,438	
			71,570
		£.	908,178
	To Balance, being the excess of Territorial Remittances realized in the current year above the amount of bills for principal and interest on Indian Debt, &c., discharged in the same period; transferred to the credit of the Account with the Territorial Branch (No. 1.) -		170,122
		£.	1,078,300

1825–26. - - - - - - - - -

1826: 30 April.			£.
	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1825–26 - - - - - - - - - - - - -		430,039
	To Amount of Bills drawn for Principal of Indian Debt, discharged in England, in 1825–26		576,715
	To Amount of Bills drawn for Cash received into the Indian Treasuries under Advertisements of the Governments, discharged in England in 1825–26 - - - - - - -		100,428
		£.	1,107,182
	To Amount of sundry Payments in England, to be deducted from Funds realized, per Contra:		
	Charges on importations of bullion in former years, on the Territorial Account - - - - - - - - - - - - - - -	£. 2,988	
	Freight of stores, &c., chargeable to His Majesty's Government - - -	1,618	
	Payments to His Majesty's Government, on account of proceeds of the Moluccas spices, accrued both in India and in England - - - -	110,973	
			115,579
		£.	1,222,761

to Bills of Exchange drawn on account of Interest on Indian Debt, &c.—*continued.*

- - - - - - - - - 1823–24.

			£.
1824: 30 April.	BY Amount of Remittances realized in 1823–24 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India - - - - - - - - - - -	£. 57,046	
	Ditto, for bills drawn by the Court on India - - - - - - - -	7,810	
	Produce of Molucca spices sold in the year - - - - - - - - -	33,060	
			97,916
	By Balance, being the excess of payments for bills drawn for principal and interest on Indian Debt, &c. beyond the amount of Remittances realized to meet those bills; transferred to the debit of the Account with the Territorial Branch (No. 1.) - - - - - - -		2,204,514
		£.	2,302,430

- - - - - - - - - 1824–25.

			£.
1825: 30 April.	BY Amount of Remittances realized in 1824–25 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India - - - - - - - - - - -	£. 38,325	
	Ditto, for bills drawn by the Court on India - - - - - - - -	1,820	
	Produce of Molucca spices sold in the year - - - - - - - - -	48,992	
	Ditto of Bullion received from India - - - - - - - - - -	989,163	
		£.	1,078,300

- - - - - - - - - 1825–26.

			£.
1826: 30 April.	BY Amount of Remittances realized in 1825–26 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from the Territorial funds in India - - - - - - - - - - -	£. 132,717	
	Ditto, for bills drawn by the Court on India - - - - - - - -	1,570	
	Produce of Molucca spices sold in the year - - - - - - - - -	53,871	
	Received of His Majesty's Government, on account of expenses at St. Helena, subsequently to 30th April 1822 - - - - - - - - - -	3,711	
			191,869
	By Balance, being excess of payments for bills drawn for principal and interest on Indian Debt, &c. beyond the amount of Remittances realized to meet those bills; transferred to the debit of the Account with the Territorial Branch (No. 1.) - - - - - - -		1,030,892
		£.	1,222,761

(*continued*)

No. 7. (2.)— Territorial Branch in Account with the Commercial Branch, in respect

1826–27.

1827: 30 April.			£.
	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt, 1826–27		423,290
	To Amount of Bills drawn for Principal of India Debt, discharged in England in 1826–27, beyond the amount agreed to be discharged from Surplus Profits		79,518
	To Amount of Bills drawn for Cash received into the Indian Treasuries under Advertisements of the Governments, discharged in England in 1826–27		1,449
		£.	504,257
	To Amount of sundry Payments in England, to be deducted from Funds realized, per Contra:		
	Charges on importations of bullion in former years on the Territorial Account	£. 620	
	Freight of stores, &c., chargeable to Government	3,761	
			4,381
		£.	508,638

1827–28.

1828: 30 April.			£.
	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian debt in 1827–28		522,438
	To Amount of Bills drawn for Principal of Indian Debt, discharged in England in 1827–28, beyond the amount agreed to be defrayed from Surplus Profits		5,701
		£.	528,139
	To Amount of sundry Payments in England, to be deducted from Funds realized per Contra:		
	Freight of stores, &c., chargeable to His Majesty's Government		5,162
		£.	533,301

1828–29.

1829: 30 April.			£.
	TO Amount of Payments actually made on account of Bills of Exchange drawn for Interest on Indian Debt in 1828–29		640,570
	To ditto, for Principal of Indian Debt, beyond the amount agreed to be defrayed from Surplus Profits		3,470
	To Amount of sundry Payments in England, &c., to be deducted from Funds realized per Contra:		
	Freight of stores, &c., chargeable to His Majesty's Government	£. 3,309	
	Loan to His Majesty's Government at the Cape of Good Hope, transferred for adjustment in the general Government Account	18,203	
			21,512
		£.	665,552
	To Balance, being the excess of Territorial Remittances received in the current year above the amount of bills for principal and interest of Indian Debt, &c., discharged in the same period; transferred to the credit of the Account with the Territorial Branch (No. 1.)		37,756
		£.	703,308

East India House,
6 April 1832.

to Bills of Exchange drawn on account of Interest on Indian Debt, &c.—*continued.*

- - - - - - - - - 1826–27.

			£.
1827: 30 April.	BY Amount of Remittances realized in 1826–27 to meet Payments made per Contra:		
	Received for bills drawn in the Company's favour, for supplies furnished from Territorial funds in India - - - - - - - - - -	£. 22,891	
	Received for bills drawn by the Court on India - - - - - - -	1,770	
	Produce of Molucca spices sold in the year - - - - - - - -	1,105	
	Received of His Majesty's Government, in repayment of advances in India, not covered by bills of exchange - - - - - - - -	71,625	
			97,391
	By Balance, being excess of payments for bills drawn for principal and interest on Indian Debt, &c., beyond the amount of Remittances realized to meet those bills; transferred to the debit of the Account with the Territorial Branch (No. 1.) - - - - -		411,247
		£.	508,638

- - - - - - - - - 1827–28.

			£.
1828: 30 April.	BY Amount of Remittances realized in 1827–28 to meet Payments made per Contra:		
	Received for bills drawn by the Court on India - - - - - - -	£. 2,252	
	Received for bills drawn in the Company's favour, for supplies furnished from the Territorial funds in India - - - - - - - - - -	103,652	
			105,904
	BY Balance, being excess of payments for bills drawn for principal and interest on Indian Debt, &c., beyond the amount of Remittances realized to meet those bills: transferred to the debit of the Account with the Territorial Branch (No. 1.) - - - - -		427,397
		£.	533,301

- - - - - - - - - 1828–29.

		£.
1829: 30 April.	BY Amount of Remittances realized in England in 1828–29, to meet Payments made per Contra:	
	Received for bills drawn by the Court on India - - - - - - - - -	3,285
	Received for bills drawn in the Company's favour, for supplies furnished from the Territorial Funds in India - - - - - - - - - - - - - -	61,728
	Amount received of His Majesty's Government, in repayment of advances in India, not covered by bills of exchange - - - - - - - - - - - -	8,597
	Produce of bullion received from India on the Territorial and Political Account - -	629,698
	£.	703,308

(Errors excepted.)

(signed) *Thos. S. Cabell,*
Dep^y Acc^t Genl.

(Appendix to No. 7.)

ADVANCES made by the TERRITORIAL and COMMERCIAL BRANCHES to each other in *India*; being the between the Territorial and Commercial

BENGAL.

ADVANCES by the TERRITORIAL to the COMMERCIAL BRANCH.

Season:	Advances from the General and Revenue Treasuries for Provision of Investment for Europe and China, and for Payment of Commercial Charges, including Drafts of the Supracargoes.	Indian Customs chargeable upon the Company's Trade.	Advances and Payments to Commanders and Officers of Company's Trading Ships.	Import and Export Goods, Consignments from other Presidencies, made over to the Commercial Department.	Territorial Stores transferred to the Commercial Department.	Discount allowed to Purchasers at Import Sales 1814–15 to 1817–18 inclusive, charged in those Years to the Territorial Branch.	Stationery supplied the Commercial Offices.	Saltpetre transferred from the Allahabad Gunpowder Manufactory to the Refinery at Ishapore, for eventual Shipment to England.
	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.
1814–15	1,01,59,957 10 7	5,34,609 11 4	1,03,334 5 2	- - -	- - -	- - -	- - -	- - -
1815–16	1,31,83,690 7 10	1,65,563 6 –	1,20,357 4 11	3,36,629 11 9	- - -	- - -	- - -	- - -
1816–17	1,06,20,325 5 –	1,95,663 10 –	95,676 12 3	2,69,432 10 –	- - -	- - -	- - -	- - -
1817–18	1,24,43,229 11 10	2,24,885 13 2	1,38,614 13 8	4,54,289 5 5	- - -	- - -	- - -	- - -
1818–19	92,92,673 6 5	1,65,704 4 11	1,00,511 9 9	20,408 6 8	- - -	- - -	- - -	- - -
1819–20	1,61,41,889 5 2	2,93,700 13 3	72,808 1 3	53,164 10 3	- - -	- - -	- - -	- - -
1820–21	1,57,85,741 6 –	2,82,810 4 10	19,596 3 8	61,890 13 8	9,082 1 5	66,887 2 4	- - -	- - -
1821–22	1,64,70,156 8 6	2,58,912 4 6	58,346 9 6	35,884 11 5	10,446 6 5	- - -	- - -	- - -
1822–23	1,78,99,717 6 11	2,59,858 2 1	25,961 9 7	57,092 4 4	4,374 4 6	- - -	- - -	- - -
1823–24	1,96,70,888 13 5	1,34,260 13 5	9,215 8 8	76,885 12 9	1,134 14 11	- - -	- - -	- - -
1824–25	2,13,61,217 10 –	2,24,564 12 3	10,853 12 2	8,746 12 6	14,209 7 3	- - -	- - -	- - -
1825–26	1,80,45,968 13 1	2,10,935 1 4	19,138 8 –	1,91,871 9 1	7,289 14 –	- - -	- - -	- - -
1826–27	1,96,44,369 11 3	2,45,765 14 9	31,010 2 6	- - -	588 5 3	- - -	5,770 7 3	- - -
1827–28	2,24,99,242 2 1	2,02,380 10 7	1,58,944 4 9	- - -	1,74,690 – 10	- - -	5,079 9 7	- - -
1828–29	2,27,47,396 9 7	2,63,220 2 8	88,785 – 8	- - -	16,883 4 1	- - -	5,817 9 7	96,707 11 4
TOTALS	24,59,66,464 15 8	36,62,835 13 1	10,53,154 10 6	15,66,296 11 10	2,38,698 10 8	66,887 2 4	16,667 10 5	96,707 11 4

ADVANCES by the COMMERCIAL to the TERRITORIAL BRANCH.

Season:	Payments into the General Treasury by the Import Warehousekeeper on account of the Proceeds of Sales.	Payments into the General Treasury by Commanders of Company's Trading Ships, for which Certificates on the Court have been granted to them payable in England.	Export Goods supplied for Territorial Services, and for Consignment to other Presidencies.	Import Goods supplied for Territorial Services, and for Consignment to other Preisdencies.	Valuation of Commercial Buildings appropriated to the Territorial Branch.	Loss on Woollens provided for the Mauritius Government chargeable to His Majesty's Government.	Amount Sale of Treasure to the Territorial Branch received from England on the Commercial Account.	Charges on Spices from Moluccas sold at Calcutta.
	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. s. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.
1814–15	17,16,900 – –	- - -	3,19,214 10 5	14,22,500 7 3	- - -	- - -	- - -	- - -
1815–16	24,52,700 – –	- - -	5,12,598 3 8	7,71,158 10 11	12,582 1 10	- - -	- - -	- - -
1816–17	19,87,557 14 11	- - -	4,92,874 8 3	16,23,549 15 2	- - -	- - -	- - -	- - -
1817–18	11,18,500 – –	- - -	6,15,452 3 8	9,22,269 10 6	- - -	- - -	9,51,130 5 4	- - -
1818–19	23,12,974 3 5	- - -	6,08,596 4 6	6,66,903 1 9	- - -	- - -	9,28,571 5 8	- - -
1819–20	18,41,304 – 2	20,000 – –	3,42,170 5 7	10,19,851 14 11	12,000 – –	- - -	- - -	1,07,338 13 2
1820–21	18,62,463 9 8	- - -	7,83,745 12 –	1,85,928 2 7	41,097 14 11	- - -	- - -	- - -
1821–22	27,96,570 9 10	29,314 17 8	8,81,458 12 4	52,745 8 4	8,645 4 5	- - -	- - -	- - -
1822–23	22,75,326 4 3	74,103 7 2	5,08,173 11 10	47,406 10 3	- - -	13,729 11 6	- - -	- - -
1823–24	24,85,214 12 –	- - -	2,48,664 10 3	1,06,386 – 8	- - -	- - -	- - -	- - -
1824–25	14,69,861 – 4	- - -	2,38,849 6 3	82,654 5 4	- - -	- - -	- - -	- - -
1825–26	1,55,515 1 2	- - -	2,08,240 14 11	27,733 1 1	- - -	- - -	- - -	- - -
1826–27	1,41,937 3 10	- - -	1,93,747 15 2	1,398 6 –	- - -	- - -	- - -	- - -
1827–28	1,96,816 2 6	- - -	1,96,884 4 9	1,097 6 5	- - -	- - -	- - -	- - -
1828–29	2,59,000 – –	- - -	76,125 1 11	2,296 4 3	- - -	- - -	- - -	- - -
Totals	2,30,72,640 14 1	1,23,418 8 10	62,26,801 13 6	69,33,879 9 5	74,325 5 2	13,729 11 6	18,79,701 11 –	1,07,338 13 2

(Appendix to No. 7.)

Detail of the Particulars which produce the Credits inserted in each Year in the Division of the Account Branches, which is marked No. 1.

BENGAL.

ADVANCES by the Territorial to the Commercial Branch.

Naval Stores transferred to the Import and Export Warehouses for Sale and Issue, and the Consignment of the Season, deposited in Import Warehouse.	Payments on account of the Island of Ceylon, chargeable to the Debit of the Cinnamon Contract.	Proceeds of Spices from the Moluccas sold at Calcutta, realised in Commercial Department.	Advances by the Marine Paymaster on account of Freight of Goods consigned to the Cape.	Received at the Import Warehouse for the Sale of Presents.	Saltpetre, the produce of Nemuck Sar Mehal, transferred to the Commercial Department.	Balance of Miscellaneous Debits and Credits, between the Two Branches.	TOTAL Advanced, in Indian Currency.	AMOUNT in Sterling, at the established rates of Conversion.
S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	£.
2,39,903 1 10	41,629 5 5	- - -	40,943 - 6	- - -	- - -	- - -	1,11,20,377 2 10	1,289,964
4,61,395 - 6	- - -	- - -	2,724 2 8	72,136 5 8	- - -	- - -	1,43,42,496 7 4	1,663,730
1,89,648 1 10	- - -	2,84,504 14 1	- - -	- - -	- - -	- - -	1,16,55,251 5 2	1,352,009
2,625 14 4	- - -	6,57,891 14 10	- - -	- - -	- - -	- - -	1,39,21,537 9 3	1,614,898
1,15,723 9 4	- - -	2,80,594 11 7	- - -	- - -	- - -	- - -	99,75,616 - 8	1,157,171
1,46,798 - -	- - -	- - -	- - -	- - -	2,48,042 13 6	18,068 7 3	1,69,74,472 2 8	1,969,039
- - -	- - -	- - -	- - -	- - -	- - -	- - -	1,62,26,007 15 11	1,882,217
- - -	- - -	- - -	- - -	- - -	- - -	12,226 4 11	1,68,45,972 13 3	1,954,133
- - -	- - -	- - -	- - -	- - -	- - -	7,007 7 1	1,82,54,011 2 6	2,117,465
- - -	- - -	- - -	- - -	- - -	- - -	(a)72,103 2 10	1,99,64,489 2 -	2,315,881
- - -	- - -	- - -	- - -	- - -	- - -	- - -	2,16,19,592 6 2	2,507,873
- - -	- - -	- - -	- - -	- - -	- - -	- - -	1,84,75,203 13 6	2,143,124
- - -	- - -	- - -	- - -	- - -	- - -	12,449 6 7	1,99,39,953 15 7	2,313,035
- - -	- - -	- - -	- - -	- - -	- - -	(b)38,611 3 2	2,30,78,947 15 -	2,677,158
- - -	- - -	- - -	- - -	- - -	- - -	16,430 4 4	2,32,35,240 10 3	2,695,288
11,56,093 11 10	41,629 5 5	12,22,991 8 6	43,667 3 2	72,136 5 8	2,48,042 13 6	1,76,896 4 2	25,56,29,170 10 1	29,652,985

(a) Includes an amount of £. 72,103. 2. 10. Sale of Presents.

(b) Includes an adjustment of £. 43,412. 6. 9. Sale of Presents.

ADVANCES by the Commercial to the Territorial Branch.

Produce of Export Sales paid into the General Treasury by Export Warehousekeeper.	Surplus Commission, Salaries to Residents, and Absentee Allowances.	Sale Produce of Spices received from Amboyna, paid into General Treasury by Export Warehousekeeper.	Repayment of Commercial Advances, Cash advanced Opium Agents, Payments into General and Revenue Treasuries by Collectors, &c.	Difference of Exchange, &c.	Balance of Miscellaneous Debits and Credits between the Two Branches.	TOTAL Advanced, in Indian Currency.	AMOUNT in Sterling at the Established Rates of Conversion.
S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	S.Rs. a. p.	£. s. d.
1,50,898 9 5	6,916 1 9	- - -	- - -	2,141 13 -	11,318 14 10	36,29,890 10 8	421,067 - -
1,01,500 - -	1,901 4 8	- - -	- - -	- - -	22,434 3 7	38,74,874 8 8	449,485 -
4,06,572 2 4	19,734 4 7	- - -	- - -	- - -	33,956 14 10	45,64,245 12 1	529,453 - -
7,66,529 10 11	32,848 11 7	- - -	- - -	- - -	13,603 15 1	44,20,334 9 1	512,759 - -
66,916 4 -	16,279 13 1	2,76,177 15 8	- - -	1,622 2 11	2,596 - 1	48,80,637 3 1	566,154 - -
1,14,632 10 -	1,06,402 8 8	- - -	- - -	- - -	- - -	35,63,700 4 6	413,389 - -
1,23,935 11 3	9,349 1 11	- - -	- - -	- - -	5,225 14 7	30,11,746 2 11	349,363 - -
70,408 2 -	46,642 2 5	- - -	25,000 - -	- - -	- - -	39,10,785 9 -	453,651 - -
1,96,113 2 3	98,162 15 4	- - -	- - -	1,210 3 6	- - -	32,14,231 2 1	372,851 - -
56,040 3 10	73,459 5 -	- - -	1,15,476 5 7	554 6 11	- - -	30,85,795 12 3	357,952 - -
3,38,962 5 11	53,602 11 4	- - -	45,825 11 5	4,033 12 -	9,048 8 2	22,42,837 12 9	260,169 - -
1,80,314 6 10	78,177 6 -	- - -	3,967 8 6	10,034 13 7	31,564 2 -	6,95,547 6 1	80,683 - -
2,22,717 10 4	2,64,721 7 10	- - -	34,126 7 9	4,578 - 4	- - -	8,63,227 7 3	100,134 - -
1,41,019 9 7	21,951 6 2	- - -	35,772 6 1	2,372 8 -	- - -	5,95,913 11 6	69,126 - -
2,75,722 9 2	2,00,738 4 -	- - -	12,853 13 8	2,494 9 2	- - -	8,29,230 10 2	96,191 - -
32,12,283 1 10	10,30,887 14 4	2,76,177 15 8	2,73,022 5 -	29,042 5 5	1,29,748 9 2	4,33,82,998 10 1	5,032,247 - -
						21,22,46,172 - -	24,620,558 - -
						25,56,29,170 10 1	29,652,985 - -

Balance advanced at Bengal from the Territorial to the Commercial Department, 1814-15 to 1828-29 - - -

(Appendix to No. 7.)—Advances made by the Territorial an

MADRAS.

ADVANCES by the Territorial to the Commercial Branch.

Season:	Advances from the General & Revenue Treasuries for Provision of Investment for Europe and China, and for Payment of Commercial Charges, &c. including Drafts of the Supracargoes.	Indian Customs chargeable upon the Company's Trade.	Advances and Payments to Commanders and Officers of Company's Trading Ships.	Import and Export Goods, Consignments from other Presidencies, made over to the Commercial Department.	Territorial Stores transferred to the Commercial Department.	Value of Cinnamon delivered for Consignment to England, on the Commercial Account, paid for in the Territorial Department.	Sandal Wood provided by Revenue Collectors, &c.
	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pags. f. c.
1814-15 -	7,57,872 3 5	74,951 7 41	46,882 36 59	3,524 9 79	- - -	- - -	63,767 6 19
1815-16 -	9,81,928 29 28	33,630 42 01	59,839 24 43	16,256 25 38	- - -	- - -	- - -
1816-17 -	10,63,110 2 14	43,873 3 19	48,503 21 63	42,416 33 19	- - -	1,27,434 37 77	41,308 5 53
1817-18 -	9,99,676 3 51	36,104 18 20	47,028 8 18	67,136 44 45	- - -	1,68,695 28 10	52,029 25 77
Pags.	38,02,586 38 18	1,88,559 26 1	2,02,254 1 23	1,29,334 23 21	- - -	2,96,130 21 7	1,57,104 37 69
at 3½ Rs. per Pag. M.Rs.	1,33,09,053 15 6	6,59,958 8 5	7,07,889 1 6	4,52,670 12 11	- - -	10,36,456 10 2	5,49,866 15 -
	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.
1818-19 -	29,52,466 7 5	70,897 5 9	1,72,327 8 -	1,06,122 9 5	- - -	7,05,163 9 6	7,616 - -
1819-20 -	22,62,569 1 10	72,462 7 6	1,55,812 2 5	43,433 12 10	- - -	2,93,778 8 2	2,15,805 9 7
1820-21 -	33,27,027 7 8	71,312 15 10	1,13,667 1 11	1,45,326 10 11	- - -	4,13,424 7 9	1,18,260 6 5
1821-22 -	18,95,771 7 4	36,945 6 6	1,45,004 13 1	43,462 10 9	- - -	3,44,690 12 7	1,33,000 - -
1822-23 -	18,31,699 12 1	57,286 3 -	1,10,150 9 1	20,603 15 6	- - -	- - -	1,27,548 10 -
1823-24 -	17,09,861 8 7	48,439 4 4	- - -	12,131 13 4	- - -	- - -	- - -
1824-25 -	23,02,600 9 2	58,969 15 -	- - -	44,150 9 5	- - -	- - -	11,780 - -
1825-26 -	12,71,494 5 4	57,621 8 -	- - -	19,863 5 6	- - -	- - -	- - -
1826-27 -	22,07,453 3 2	42,187 8 9	- - -	9,715 5 4	- - -	- - -	- - -
1827-28 -	31,19,383 12 -	56,884 4 9	- - -	6,766 - -	- - -	- - -	96,009 8 1
1828-29 -	22,69,474 11 4	91,942 1 6	- - -	13,358 - -	7,064 - 6	- - -	- - -
M.Rs.	3,84,58,856 5 5	13,24,907 9 4	14,04,851 4 -	9,17,605 9 11	7,064 - 6	27,93,514 - 2	12,59,887 1 1

ADVANCES by the Commercial to the Territorial Branch.

Season:	Payments into the General Treasury by the Import Warehousekeeper, on account of the Proceeds of Sales.	Export Goods supplied for Territorial Services, and for Consignment to other Presidencies.	Import Goods supplied for Territorial Services, and for Consignment to other Presidencies.	Valuation of Commercial Buildings, appropriated to the Territorial Branch.	Import Goods sold at Ajengo and Quilon, realized in the Treasury of the Resident at Travancore.	Medicines consigned from England on the Commercial Account, transferred to Territorial Department.	Marine Stores transferred from the Import Warehouse, to the Custody of Master Attendant, under Court's Despatch, 16 Mar. 1827.	Proportion of Expenses of Board of Trade, Salaries, &c.
	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pags. f. c.	Pag. f. c.
1814-15	82,620 10 68	41,648 35 33	3,25,151 34 50	- - -	11,482 31 45	- - -	- - -	- - -
1815-16	93,252 37 40	34,998 16 57	1,37,742 8 35	- - -	2,369 12 69	- - -	- - -	- - -
1816-17	38,384 44 36	8,694 41 26	2,31,325 39 32	- - -	1,164 36 53	- - -	- - -	- - -
1817-18	43,843 35 44	44,517 - 45	74,459 18 71	- - -	1,439 22 65	- - -	- - -	- - -
Pags.	2,58,101 38 28	1,29,859 4 1	7,68,679 11 28	- - -	16,456 13 72	- - -	- - -	- - -
at 3½ Rs. per Pag.	M.Rs. a. p. 9,03,356 7 7	4,54,596 13 -	26,90,377 6 1	- - -	57,597 1 3	- - -	- - -	- - -
	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.	M.Rs. a. p.
1818-19	113,705 - -	1,04,627 8 2	1,39,945 1 7	- - -	24,062 15 -	- - -	- - -	31,594 3 4
1819-20	59,500 - -	4,10,539 11 2	1,47,945 2 8	- - -	19,282 12 1	- - -	- - -	27,599 13 6
1820-21	21,000 - -	10,50,929 2 10	3,84,532 1 5	4,876 10 7	10,524 13 3	- - -	- - -	21,103 1 6
1821-22	108,320 - 11	1,67,298 6 5	2,22,703 13 1	- - -	17,261 8 9	- - -	- - -	- - -
1822-23	195,075 9 3	1,47,500 4 11	3,22,526 14 1	24,477 14 7	- - -	- - -	- - -	- - -
1823-24	188,187 8 -	1,21,512 10 5	1,50,319 - 4	- - -	- - -	1,268 1 6	- - -	- - -
1824-25	140,825 15 10	92,308 - 8	1,26,139 8 -	48,151 5 11	- - -	- - -	- - -	12,937 4 9
1825-26	178,970 7 8	98,632 14 -	2,11,029 10 9	- - -	- - -	- - -	- - -	18,823 - 9
1826-27	60,700 - -	81,588 11 3	19,235 9 8	- - -	- - -	- - -	- - -	18,117 9 5
1827-28	17,400 - -	74,180 1 10	45,220 - 6	- - -	- - -	- - -	- - -	22,394 8 5
1828-29	8,200 - -	39,053 12 5	12,956 6 -	- - -	- - -	- - -	47,982 - 7	18,025 - -
M.Rs.	19,95,241 1 3	28,02,678 1 1	44,72,930 10 2	77,505 15 1	1,28,729 2 4	1,268 1 6	47,982 - 7	1,70,594 9 8

(a) Bill on Collector Ganjam not paid. (b) Cash advanced, 1819-20; reversed, 1823-24. (c) Amount delivered Collector Coimbatore.

Commercial Branches to each other in India—*continued.*

MADRAS.

ADVANCES by the Territorial to the Commercial Branch.

Stationery supplied the Commercial Offices.	Amount re-credited by Commercial Resident at Ingeram to Territorial Department, being the Value of certain Factory Buildings at Ganjam, with which the Territorial Department was debited in 1824–25, without the sanction of Government.	Sandal Wood received from His Highness the Rajah of Mysore.	Naval Stores, &c. transferred to the Import & Export Warehouses for Sale and Issue, and the Consignment of the Season, deposited in Import Warehouse.	Payment on account of the Island of Ceylon, chargeable to the Debit of the Cinnamon Contract.	Balance of Miscellaneous Debits & Credits between the Two Branches.	TOTAL Advanced, in Indian Currency.	AMOUNT in Sterling, at the established Rates of Conversion.
Pags. f. c.	*Pags. f. c.*	*Pags.*	*Pags. f. c.*	*Pags. f. c.*	*Pags. f. c.*	*Pags. f. c.*	£.
- - -	- - -	- - -	- - -	1,74,234 25 10	- - -	11,21,231 43 53	448,493
- - -	- - -	- - -	32,146 41 18	1,56,354 41 33	2,106 3 28	12,82,263 27 29	512,905
- - -	- - -	- - -	7,442 23 32	- - -	4,074 43 48	13,78,163 36 5	551,266
2,254 2 30	- - -	- - -	8,328 20 5	- - -	- - -	13,81,253 16 16	552,501
2,254 2 30	- - -	- - -	47,917 39 55	3,30,589 21 43	6,181 1 76	51,62,912 33 23	£. 2,065,165
7,889 2 11	- - -	- - -	1,67,712 9 4	11,57,063 2 9	21,633 10 5	1,80,70,194 3 11	
M.Rs. a. p.	*M.Rs. a. p.*	*M.Rs.*	*M.Rs. a. p.*	*M.Rs. a. p.*	*M.Rs. a. p.*	*M.Rs. a. p.*	
5,880 – 7	- - -	- - -	- - -	- - -	- - -	40,20,473 8 8	£. 459,483
6,549 13 5	- - -	- - -	19,943 5 4	- - -	- - -	30,70,354 13 1	350,898
5,525 – 5	- - -	- - -	- - -	- - -	- - -	41,94,544 2 11	479,376
4,205 10 10	- - -	- - -	- - -	- - -	- - -	26,03,080 13 1	297,495
3,601 2 1	- - -	- - -	- - -	- - -	- - -	21,50,890 3 9	245,816
3,399 6 8	- - -	- - -	- - -	- - -	- - -	17,73,832 – 11	202,724
2,215 9 11	- - -	- - -	- - -	- - -	- - -	24,19,716 11 6	276,539
2,404 10 10	- - -	- - -	- - -	- - -	- - -	13,51,383 13 8	154,443
1,290 14 7	40,454 15 8	- - -	- - -	- - -	17,271 9 5	23,18,373 8 11	264,957
1,126 5 2	- - -	- - -	- - -	- - -	17,027 11 –	32,97,197 9 –	376,822
1,835 12 –	- - -	28,896	- - -	- - -	12,955 9 6	24,25,526 2 10	277,203
45,923 9 5	40,454 15 8	28,896	1,87,655 14 8	11,57,063 2 9	68,888 8 4	4,76,95,568 1 3	£. 5,450,921

ADVANCES by the Commercial to the Territorial Branch.

Amount of Export Sales paid into General Treasury by Export Warehouse-keeper.	Advances at Maddepollam and Bellary, re-adjusted.	Paid into Treasury by Mr. Heath, on account of Saltpetre Contract.	Re-payment of Cash Advances from Collectors, &c.	Amount returned to Collector of Vizagapatam.	Amount transferred to Military Department.	Balance of Miscellaneous Debits and Credits between the Two Branches.	TOTAL Advanced in Indian Currency.	AMOUNT in Sterling, at the established Rates of Conversion.
Pags. f. c.	*Pags. f. c.*	*Pags f. c.*	*Pags. f. c.*	*Pags. f. c.*	*Pags. f. c.*	*Pags. f. c.*	*Pags. f. c.*	£.
10,653 22 40	- - -	- - -	3,871 28 18	- - -	- -	13,135 34 10	4,88,564 17 24	195,426
- - -	- - -	- - -	- - -	- - -	- -	- - -	2,68,362 30 41	107,345
- - -	- - -	- - -	- - -	- - -	- -	- - -	2,79,570 26 67	111,828
- - -	- - -	- - -	- - -	- - -	- -	8,528 34 04	1,72,788 21 69	69,115
10,653 22 40	- - -	- - -	3,871 28 18	- - -	- -	21,664 23 14	12,09,286 6 41	483,714
37,287 4 1	- - -	- - -	13,550 11 –	- - -	- -	75,825 12 9	42,32,501 7 9	
M.Rs. a. p.	*M.Rs. a. p.*	*M.Rs. a. p.*	*M.Rs. a. p.*	*M.Rs. a. p.*	*M.Rs. a. p.*	*M.Rs. a. p.*	*M.Rs. a. p.*	
- - -	- - -	- - -	- - -	- - -	- -	6,102 6 7	4,20,037 2 8	48,004
- - -	- - -	- - -	- - -	1,50,000 – –	- -	9,864 13 4	8,24,732 4 9	94,255
- - -	3,53,000 – –	- - -	- - -	- - -	- -	13,460 3 4	18,59,426 – 11	212,506
- - -	- - -	- - -	(a) 3,000 – –	- - -	- -	9,083 10 8	5,27,667 7 10	60,305
- - -	- - -	- - -	- - -	- - -	- -	15,692 11 10	7,05,273 6 8	80,603
- - -	- - -	- - -	(b) 16,937 14 7	- - -	- -	8,960 15 8	4,87,186 2 6	55,678
- - -	- - -	- - -	(c) 10,000 – –	- - -	68,000 – –	12,141 14 1	4,70,504 1 3	53,772
- - -	- - -	10,000 – –	280 8 –	- - -	- -	3,076 10 9	5,26,813 3 11	59,522
- - -	- - -	- - -	- - -	- - -	- -	- - -	1,79,641 14 4	20,530
- - -	- - -	- - -	- - -	- - -	- -	- - -	1,59,194 10 9	18,194
- - -	- - -	- - -	- - -	- - -	- -	- - -	1,26,217 3 –	14,425
37,287 4 1	3,53,000 – –	10,000 – –	43,769 1 7	1,50,000 – –	68,000 – –	1,54,209 3 –	1,05,13,195 2 4	1,201,508
Balance advanced at Madras to Commercial Branch by Territorial Department, 1814–15 to 1828–29 - -							3,71,82,372 14 11	4,249,413
						Madras Rupees	4,76,95,568 1 3	£. 5,450,921

(Appendix to No. 7.)—Advances made by the Territorial and

BOMBAY.

ADVANCES by the Territorial to the Commercial Branch.

Season	Advances from the General and Revenue Treasuries for Provision of Investment for Europe and China, and for payment of Commercial Charges, &c. including Drafts of the Supracargoes.	Indian Customs Chargeable upon the Company's Trade.	Advances and Payments to Commanders and Officers of Company's Trading Ships.	Import and Export Goods, Consignments from other Presidencies, made over to the Commercial Department.	Territorial Stores transferred to the Commercial Department.	Copper returned from the Mint, part of the Supplies to that Department, from the Import Warehouse in 1819-20.	Gain on Sale, &c. of Marine Stores.	Supplies to the Supracargoes at Canton.
	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.
1814-15	27,34,516 2 5	1,73,047 2 04	20,550 2 92	2,66,835 - 91	- - -	- - -	- - -	- - -
1815-16	34,35,084 1 70	1,09,877 2 71	46,944 1 66	3,78,040 3 10	- - -	- - -	- - -	- - -
1816-17	30,58,310 3 55	1,06,190 2 62	18,499 1 84	4,66,046 1 89	- - -	- - -	- - -	- - -
1817-18	39,75,290 3 61	1,21,167 - 02	22,933 1 30	3,60,834 2 07	- - -	- - -	- - -	- - -
1818-19	28,72,558 2 4	76,663 3 17	26,191 3 26	6,54,574 1 35	- - -	- - -	- - -	- - -
1819-20	4,69,570 1 68	67,816 1 64	20,148 - 56	12,43,118 2 57	- - -	- - -	- - -	- - -
1820-21	19,12,331 2 56	24,379 2 65	7,868 3 44	13,07,100 3 49	- - -	- - -	- - -	- - -
1821-22	11,20,270 3 39	81,308 1 43	8,177 3 11	3,19,919 2 84	- - -	86,083 - 68	665 2 72	1,955 3 53
1822-23	39,50,469 - 10	38,737 1 12	2,000 - -	19,337 3 73	- - -	- - -	- - -	- - -
1823-24	21,72,076 - 36	75,985 - 87	4,500 - -	2,31,240 2 -	- - -	- - -	- - -	59,360 - 37
1824-25	19,95,281 3 67	88,286 2 85	- - -	3,47,898 3 47	5,057 2 62	- - -	- - -	17,297 3 47
1825-26	11,94,350 3 07	61,493 1 32	- - -	40,455 1 39	4,875 - -	- - -	- - -	- - -
1826-27	12,57,631 3 66	70,818 2 17	- - -	32,915 - 02	768 3 -	- - -	- - -	- - -
1827-28	16,28,825 1 58	65,448 1 33	- - -	582 3 13	32,712 - 49	- - -	- - -	- - -
1828-29	10,97,572 3 92	55,393 1 05	1,069 2 66	- - -	15,461 3 20	- - -	- - -	- - -
By.Rs.	3,28,74,142 - 94	12,16,613 2 99	1,78,884 - 75	56,68,900 3 96	58,875 1 31	86,083 - 68	665 2 72	78,613 3 37

ADVANCES by the Commercial to the Territorial Department

Season:	Payments into the General Treasury by the Import Warehousekeeper, on Account of the Proceeds of Sales.	Export Goods supplied for Territorial Services, and for Consignment to other Presidencies.	Import Goods supplied for Territorial Services, and for Consignment to other Presidencies.	Valuation of Commercial Buildings appropriated to the Territorial Branch.	Net Sale Proceeds of Sheet Lead deposited in the Import Warehouses.	Sale Proceeds of Marine Stores, with the Cost of which the Commercial Department has been debited.	Loss by deficiency of Marine Stores, with the Cost of which the Commercial Department has been debited.	Difference in the rate of Currency in converting Advances from the Broach and Amedabad Treasuries into Bombay Rupees.	Payments into the General Treasury by Commanders of Company's Trading Ships, for which Certificates on the Court have been granted to them payable in England.	Commercial Consignments deposited with the Marine Storekeeper, Stores for the Ship Buckinghamshire, sent from England.
	By.Rs. a. p.	By.Rs. a. p.	By Rs. a. p.	By.Rs.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.
1814-15	17,16,553 - 57	17,932 3 66	6,84,580 3 92	- -	- - -	- - -	- - -	- - -	- - -	- - -
1815-16	14,21,277 - 76	1,19,849 1 14	2,85,893 2 39	- -	- - -	- - -	- - -	- - -	- - -	1,58,611 1 33
1816-17	9,70,110 - 10	51,325 2 97	1,69,338 - 65	- -	- - -	- - -	- - -	- - -	88,888 3 54	- - -
1817-18	13,47,518 2 75	1,93,251 1 22	4,64,728 2 85	- -	- - -	- - -	- - -	- - -	- - -	- - -
1818-19	17,88,364 2 56	1,02,936 3 37	2,28,506 3 33	- -	- - -	69,328 3 62	- - -	- - -	- - -	- - -
1819-20	11,92,623 1 26	5,241 3 71	4,16,250 2 82	- -	- - -	45,597 2 85	- - -	- - -	- - -	- - -
1820-21	16,72,854 - 53	29,856 3 -	2,15,147 - 65	- -	- - -	43,947 2 62	3,537 3 90	23,526 3 81	- - -	- - -
1821-22	20,43,164 2 58	1,13,193 3 11	84,722 - 37	4,000	- - -	23,380 3 40	- - -	67,981 3 27	- - -	- - -
1822-23	14,52,027 1 53	16,874 2 08	58,036 2 07	- -	- - -	6,473 3 66	- - -	22,633 3 80	- - -	- - -
1823-24	12,24,027 1 74	2,44,080 2 67	99,118 1 02	- -	- - -	16,075 - 65	- - -	41,391 3 61	- - -	- - -
1824-25	9,85,524 2 94	1,362 1 60	66,514 1 13	- -	- -	21,865 1 80	- - -	18,834 3 23	- - -	- - -
1825-26	5,01,327 3 49	174 2 92	62,358 3 44	- -	- - -	10,114 - -	- - -	79,718 1 -	- - -	- - -
1826-27	2,42,373 1 44	818 - -	1,375 1 80	- -	16,711 1 98	23,767 3 08	5,185 2 55	- - -	- - -	- - -
1827-28	1,57,674 1 37	13,251 2 -	- - -	- -	- - -	6,179 2 83	- - -	- - -	- - -	- - -
1828-29	64,994 2 20	19,515 - -	13 2 19	15,850	- - -	6,713 2 -	2,759 - 48	- - -	- - -	- - -
By.Rs.	1,67,80,415 1 82	9,29,665 1 45	28,36,585 - 63	19,850	16,711 1 98	2,73,444 2 51	11,482 2 93	2,54,087 2 72	88,888 3 54	1,58,611 1 33

Commercial Branches to each other in India—*continued.*

BOMBAY.

ADVANCES by the Territorial to the Commercial Branch.

Proceeds of Cotton laden on the Company's Ships by Messrs. Forbes & Co. of Bombay, realized by the Supracargoes at Canton, and paid to Messrs. Forbes at Bombay, according to the times of their Agreement.	Value of Lead consigned to Bombay on the Territorial Account, transferred to the Commercial Department.	Naval Stores, &c. transferred to the Import and Export Warehouses for Sale and Issue, and the Consignment of the Season, deposited in Import Warehouse.	Payment to Sircar of Travancore, through medium of Madras Government, for Pepper purchased of him.	Cost of the Construction and Outfit of the Trading Ship Buckinghamshire, Built in Company's Docks at Bombay.	Sale Proceeds of Cardemoms, &c. forwarded by the Revenue Collector from Malabar, and realised in the General Treasury.	Balance of Miscellaneous Debits and Credits between the Two Branches.	TOTAL Advanced in Indian Currency.	AMOUNT in Sterling at the established Rates of Conversion.
By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	£.
- - -	- - -	- - -	- - -	- - -	- - -	- - -	31,94,949 3 92	359,432
- - -	- - -	- - -	2,40,000 - -	- - -	- - -	1,758 3 48	42,11,706 - 65	473,817
- - -	- - -	1,819 2 66	- - -	6,88,758 3 56	- - -	65 2 50	43,39,691 2 62	488,215
- - -	- - -	- - -	- - -	2,946 1 19	- - -	90 1 46	44,83,962 1 65	504,446
- - -	- - -	5,32,292 3 51	- - -	- - -	- - -	- - -	41,62,281 1 33	468,256
- - -	- - -	- - -	- - -	- - -	46,692 - 1	- - -	18,47,345 2 46	207,826
- - -	- - -	- - -	- - -	- - -	- - -	7,074 1 50	32,58,755 1 64	366,610
- - -	- - -	- - -	- - -	- - -	- - -	- - -	16,18,381 1 70	182,068
5,00,689 3 54	- - -	- - -	- - -	- - -	- - -	5,465 - 86	45,16,699 1 35	508,129
97,714 3 09	- - -	- - -	- - -	- - -	- - -	3,131 - 62	26,44,007 3 31	297,451
- - -	- - -	- - -	- - -	- - -	- - -	1,330 2 59	24,55,153 2 67	276,205
- - -	14,419 2 58	- - -	- - -	- - -	- - -	1,242 1 36	13,16,836 1 72	148,144
- -	2,291 3 40	- - -	- - -	- - -	- - -	211 - 84	13,64,637 1 09	153,521
- - -	- - -	- - -	- - -	- - -	- - -	508 2 35	17,28,077 - 88	194,409
- - -	- - -	- - -	- - -	- - -	- - -	2,101 1 08	11,71,598 3 91	131,805
5,98,404 2 63	16,711 1 98	5,34,112 2 17	2,40,000 - -	6,91,705 - 75	46,692 - 1	23,679 2 64	4,23,14,084 2 90	4,760,334

ADVANCES by the Commercial to the Territorial Department.

Cotton sold to Commanders.	Produce of Export Goods, &c. paid in by Export Warehouse-keeper.	Drawback on Pepper received by Commercial Agent at Malabar.	Cash repaid Collectors at Surat, &c.	Difference of Currencies, Bombay and Subordinates.	Draft by the Cambay Resident, erroneously included, (relating to transactions prior to April 1814.)	Payment by Commercial Resident at Malabar, to Conservator of Forests; Sale of Malwan Hemp, &c.	Balance of Miscellaneous Debits and Credits between the Two Branches.	TOTAL Advanced in Indian Currency.	AMOUNT in Sterling, at the established Rates of Conversion.
By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	By.Rs. a. p.	£.Sterling.
- - -	- - -	- - -	- - -	- - -	1,88,100 - -	- - -	- - -	26,07,167 - 15	293,306
24,399 2 96	- - -	- - -	- - -	- - -	- - -	Sale Malwan Hemp, 5,125 - -	- - -	20,15,156 - 58	226,705
2,13,286 2 64	13,850 3 09	45,602 1 88	50,000 - -	- - -	- - -	Cash over-advanced 1815–16, 30,000 - -	- - -	16,32,402 2 87	183,646
- - -	22,174 1 87	- - -	30,134 - -	- - -	- - -	- - -	- - -	20,57,807 - 69	231,503
- - -	77,426 - 67	- - -	- - -	- - -	- - -	- - -	1,755 2 29	22,68,318 3 84	255,186
- - -	15,551 3 75	- - -	- - -	- - -	- - -	- - -	4,100 - 49	16,79,365 2 88	188,929
- - -	- - -	- - -	73,500 - -	- - -	- - -	(a) 11,859 3 01 Paym^t by Coll^rs.	- - -	20,74,230 1 52	233,351
- - -	1,00,285 3 87	- - -	- - -	- - -	- - -	624 - -	4,109 2 97	24,41,462 3 57	274,664
- - -	2,58,130 1 79	- - -	- - -	- - -	- - -	- - -	- - -	18,14,176 2 93	204,095
- - -	52,293 1 59	- - -	- - -	- - -	- - -	- - -	- - -	16,76,986 3 28	188,661
- - -	46,288 - 10	- - -	32,408 2 59	- - -	- - -	- - -	- - -	11,72,798 1 39	131,939
- - -	20,058 - 48	- - -	- - -	- - -	- - -	Twine supplied, 5,015 - -	- - -	6,78,766 3 33	76,361
- - -	9,845 2 62	- - -	- - -	23,405 2 49	- - -	- - -	- - -	3,23,482 3 96	36,392
- - -	5,580 - -	- - -	- - -	- - -	- - -	- - -	- - -	1,82,685 2 2[illegible]	20,552
- - -	20,424 3 42	- - -	- - -	- - -	- - -	Ditto 1,328 3 -	- - -	1,31,599 29	4,805
2,37,686 1 60	6,41,909 3 25	45,602 1 88	1,86,042 2 59	23,405 2 49	1,88,100 - -	53,952 2 01	9,965 1 75	2,27,56,407 2 48	2,560,095
						Balance advanced at Bombay from the Territorial to the Commercial Department, 1814–15 to 1828–29 - - -		1,95,57,677 - 42	2,200,239
							By.Rs.	4,23,14,084 2 90	£.4,760,334

(a) Payment by Commercial Agent at Malabar, to Conservator of Forests.

(Appendix to No. 7.)—Advances made by the Territorial and

ADVANCES by the TERRITORIAL to the

—	Advances and Payments to Commanders and Officers of Company's Trading Ships, and Tonnage Duty, St. Helena.	Expenses at St. Helena, on Account of the Silk Establishment.	Amount of Consignments of Pepper, &c. to Canton.	Amount of Spices, &c. consigned to England.	Pepper and Camphor sold to Commanders of Company's Ships, paid for in China.
BENCOOLEN:					
Season:	*Spanish Dollars.*	*Sp. Ds.*	*Spanish Dollars.*	*Spanish Dollars.*	*Spanish Dollars.*
1814-15	- - -	- -	- - -	141,115 3 90	- - -
1815-16	21,550 3 40	- -	- - -	199,770 - 43	- - -
1816-17	1,872 - -	- -	- - -	62,048 1 61	- - -
1817-18	£.*Sterl.* 1,242 - -	- -	- - -	£.*Sterl.* 19,769 - -	- - -
1818-19	—	—	—	—	—
1819-20	- - -	- -	43,903 2 -	- - -	- - -
1820-21	*St.Rs.* 1,700 - -	- -	*St.Rs.* 1,83,750 - -	- - -	- - -
1821-22	- - -	- -	— 2,08,250 - -	*St.Rs.* 97,307 9 6	- - -
1822-23	- - -	- -	— 1,99,500 - -	— 1,90,476 12 7	- - -
1823-24	*Ms.Rs.* 1,921 11 11	- -	*M.Rs.* 1,45,152 - -	*Ms.Rs.* 2,04,862 14 -	12,300 - -
1824-25	- - -	- -	— 3,45,829 8 -	1,24,858 2 4	*Ms.Rs.* 48,301 14 -
1825-26	—	—	—	—	—
1826-27	—	—	—	—	—
1827-28	—	—	—	—	—
1828-29	—	—	—	—	—
	St.Rs. 1,700 - -	- -	*St.Rs.* 5,91,500 - -	*St.Rs.* 2,87,784 6 1	- - -
	Ms.Rs. 1,921 11 11	- -	*Ms.Rs.* 4,90,981 8 -	*Ms.Rs.* 3,29,721 - 4	*Ms.Rs.* 48,301 14 -
	Sp.Ds. 23,422 3 40	- -	*Sp.Ds.* 43,903 2 -	*Sp.Ds.* 402,934 1 94	*Sp.Ds.* 12,300 - -
	£.*Sterl.* 1,242 - -	- -	- - -	£. *Sterl.* 19,769 - -	- - -
PRINCE OF WALES' ISLAND, SINGAPORE AND MALACCA:					
Season:	*Spanish Dollars.*	*Sp.Ds.*	*Spanish Dollars.*	*Spanish Dollars.*	*Spanish Dollars.*
1814-15	—	—	—	—	—
1815-16	7,641 - -	- -	- - -	- - -	- - -
1816-17	779 09 -	- -	- - -	- - -	- - -
1817-18	£.*Sterl.* 283 - -	- -	£.*Sterl.* 3,997 - -	- - -	- - -
1818-19	— 1,034 - -	- -	- - -	- - -	- - -
1819-20	*Sp.Ds.* 2,400 - -	- -	- -	- - -	- - -
1820-21	— 8,873 32 -	- -	- - -	- - -	- - -
1821-22	— 4,200 - -	- -	- - -	- - -	- - -
1822-23	— 4,905 06 -	- -	- - -	- - -	- - -
1823-24	—	—	—	—	—
1824-25	—	—	—	—	—
1825-26	- - -	- -	- - -	98,571 88½ -	- - -
1826-27	- - -	- -	*Sa.Rs.* 22,437 3 1	- - -	- - -
1827-28	*Sa.Rs.* 420 6 11	- -	- - -	- - -	- - -
1828-29	— 107 - -	- -	- - -	- - -	- - -
	Sp.Ds. 28,798 47 -	- -	- - -	*Sp.Ds.* 98,571 88½ -	- - -
	Sa.Rs. 527 6 11	- -	*Sa.Rs.* 22,437 3 1	- - -	- -
	£.*Sterl.* 1,317 - -	- -	£.*Sterl.* 3,997 - -	- - -	- - -
ST. HELENA:					
Season:	£.*Sterl.*	£.*Sterl.*			
1814-15	—	—	—	—	—
1815-16	2,778 - -	- -	- - -	- - -	- - -
1816-17	19 - -	- -	- - -	- - -	- - -
1817-18	115 - -	- -	- - -	- - -	- - -
1818-19	227 - -	- -	- - -	- - -	- - -
1819-20	1,212 - -	- -	- - -	- - -	- - -
1820-21	250 - -	- -	- - -	- - -	- - -
1821-22	—	—	—	—	—
1822-23	661 - -	- -	- - -	- - -	- - -
1823-24	1,125 - -	- -	- - -	- - -	- - -
1824-25	991 - -	- -	- - -	- - -	- - -
1825-26	1,299 11 3	565 7 7	- - -	- - -	- - -
1826-27	1,620 19 8	495 1 6	- - -	- - -	- - -
1827-28	1,127 4 10	1,542 10 11	- - -	- - -	- - -
1828-29	964 5 6	1,417 3 -	- - -	- - -	- - -
£.	12,390 1 3	4,020 3 -	- - -	- - -	- - -

Commercial Branches to each other in India—*continued.*

COMMERCIAL BRANCH.		ADVANCES by the COMMERCIAL to the TERRITORIAL BRANCH.			
Amount advanced in Indian Currency.	Amount in Sterling at the Established Rates of Conversion.	—	Supplies from Company's Ships, and Abatement in Charge of Former Season.	Invoice Value of Woollens from Prince of Wales Island, for Sale at Canton, on account of that Island; the Commercial Department having been debited with the Amount.	AMOUNT in STERLING.
		BENCOOLEN:			
	£. Sterling.	Season:	£. Sterling.	£. Sterling.	£. Sterling.
Sp.Ds. 141,115 3 90	35,279 – –	1814–15 - -	—	—	—
— 221,320 3 83	55,330 – –	1815–16 - -	—	—	—
— 63,920 1 61	15,980 – –	1816–17 - -	—	—	—
£.Sterl. 21,011 – –	21,011 – –	1817–18 - -	—	—	—
—	—	1818–19 - -	—	—	—
Sp.Ds. 43,903 2 –	10,976 – –	1819–20 - -	—	—	—
St.Rs. 1,85,450 – –	20,585 – –	1820–21 - -	—	—	—
— 3,05,557 9 6	33,917 – –	1821–22 - -	—	—	—
— 3,89,976 12 7	43,287 – –	1822–23 - -	200 – –	- - -	200 – –
Sp.Ds. 12,300 – – / Ms.Rs. 3,51,936 9 11	43,173 – –	1823–24 - -	—	—	—
		1824–25 - -	—	—	—
— 5,18,989 8 4	59,313 – –	1825–26 - -	—	—	—
—	—	1826–27 - -	—	—	—
—	—	1827–28 - -	—	—	—
—	—	1828–29 - -	—	—	—
		£.	200 – –	- - -	200 – –
St.Rs. 8,80,984 6 1	—				
Ms.Rs. 8,70,926 2 3	—	Balance advanced by the Territorial Branch to the Commercial Department, 1814–15 to 1828–29			£. 338,651 – –
Sp.Ds. 482,560 3 34	—				
£.Sterl. 21,011 – –	338,851 – –				£. 338,851 – –
		PRINCE OF WALES ISLAND, SINGAPORE AND MALACCA:			
	£. Sterling.	Seasons:	£. Sterling.	£. Sterling.	£. Sterling.
—	—	1814–15 - -	—	—	—
Sp.Ds. 7,641 – –	1,910 – –	1815–16 - -	—	—	—
— 779 09 –	195 – –	1816–17 - -	—	—	—
£.Sterl. 4,280 – –	4,280 – –	1817–18 - -	—	—	—
— 1,034 – –	1,034 – –	1818–19 - -	- - -	3,435 – –	3,435 – –
Sp.Ds. 2,400 – –	600 – –	1819–20 - -	—	—	—
— 8,873 32 –	2,218 – –	1820–21 - -	—	—	—
— 4,200 – –	1,050 – –	1821–22 - -	—	—	—
— 4,905 06 –	1,226 – –	1822–23 - -	—	—	—
—	—	1823–24 - -	—	—	—
—	—	1824–25 - -	—	—	—
Sp.Ds. 98,571 88½ –	24,643 – –	1825–26 - -	—	—	—
Sa.Rs. 22,437 3 1	2,602 – –	1826–27 - -	—	—	—
— 420 6 11	48 – –	1827–28 - -	—	—	—
— 107 – –	12 – –	1828–29 - -	—	—	—
		£.	- - -	3,435 – –	3,435 – –
Sp.Ds. 1,27,370 35½ – / Sa.Rs. 22,964 10 – / £.Sterl. 5,314 – –	39,818 – –	Balance advanced by the Territorial Branch to the Commercial Department, 1814–15 to 1828–29			£. 36,383 – –
					£. 39,818 – –
		ST. HELENA:			
	£. Sterling.	Season:	£. Sterling.	£. Sterling.	£. Sterling.
—	—	1814–15 - -	—	—	—
- - -	2,778 – –	1815–16 - -	—	—	—
- - -	19 – –	1816–17 - -	—	—	—
- - -	115 – –	1817–18 - -	—	—	—
- - -	227 – –	1818–19 - -	—	—	—
- - -	1,212 – –	1819–20 - -	—	—	—
- - -	250 – –	1820–21 - -	375 – –	- - -	375 – –
—	—	1821–22 - -	—	—	—
- - -	661 – –	1822–23 - -	373 – –	- - -	373 – –
- - -	1,125 – –	1823–24 - -	174 – –	- - -	174 – –
- - -	991 – –	1824–25 - -	210 – –	- - -	210 – –
- - -	1,865 – –	1825–26 - -	92 – –	- - -	92 – –
- - -	2,116 – –	1826–27 - -	689 10 6	- - -	689 – –
- - -	2,670 – –	1827–28 - -	128 11 –	- - -	129 – –
- - -	2,381 – –	1828–29 - -	419 12 6	- - -	420 – –
- - £.	16,410 – –	£.	2,461 14 –	- - -	2,462 – –
		Balance advanced by the Territorial Branch to the Commercial Department, 1814–15 to 1828–29			£. 13,948 – –
					16,410 – –

AN ACCOUNT of the BALANCES in each Year of the ADVANCES made by the TERRITORIAL and COMMERCIAL BRANCHES to each other, in *India*, 1814–15 to 1828–29, inclusive.

BALANCE of ADVANCES made by the TERRITORIAL to the COMMERCIAL DEPARTMENT.

—	Bengal.	Madras.	Bombay.	St. Helena.	Bencoolen.	P. W. Island, Singapore, and Malacca.	TOTAL Balance of Advances in each Year.
	£.	£.	£.	£.	£.	£.	£.
1814–15	868,897	253,067	66,126	- - -	35,279	- - -	1,223,369
1815–16	1,214,245	405,560	247,112	2,778	55,330	1,910	1,926,935
1816–17	822,556	439,438	304,569	19	15,980	195	1,582,757
1817–18	1,102,139	483,386	272,943	115	21,011	4,280	1,883,874
1818–19	591,047	411,479	213,070	227	- - -	- - -	1,215,793
1819–20	1,555,650	256,643	18,897	1,212	10,976	600	1,843,978
1820–21	1,532,854	266,870	133,259	- - -	20,585	2,218	1,955,786
1821–22	1,500,482	237,190	- - -	- - -	33,917	1,050	1,772,639
1822–23	1,744,614	165,213	304,034	288	43,087	1,226	2,258,462
1823–24	1,957,929	147,046	108,790	951	43,173	- - -	2,257,889
1824–25	2,247,704	222,767	144,266	781	59,313	- - -	2,674,831
1825–26	2,062,441	94,921	71,783	1,773	- - -	24,643	2,255,561
1826–27	2,212,901	244,427	117,129	1,427	- - -	2,602	2,578,486
1827–28	2,608,032	358,628	173,857	2,541	- - -	48	3,143,106
1828–29	2,599,097	262,778	117,000	1,961	- - -	12	2,980,848
	24,620,558	4,249,413	2,292,835	14,073	338,651	38,784	31,554,314
Deduct Balances per contra -	- - -	- - -	92,596	125	- - -	2,401	95,122
Net Balance advanced by Territory to Commerce. £.	24,620,558	4,249,413	2,200,239	13,948	338,651	36,383	31,459,192

BALANCE of ADVANCES made by the COMMERCIAL to the TERRITORIAL DEPARTMENT.

—	Bombay.	St. Helena.	P. W. Island, Singapore, and Malacca.	TOTAL Balances of Advances in each Year.
	£.	£.	£.	£.
1814–15	—	—	—	—
1815–16	—	—	—	—
1816–17	—	—	—	—
1817–18	—	—	—	—
1818–19	- - -	- - -	2,401	2,401
1819–20	—	—	—	—
1820–21	- - -	125	- - -	125
1821–22	92,596	- - -	- - -	92,596
1822–23	—	—	—	—
1823–24	—	—	—	—
1824–25	—	—	—	—
1825–26	—	—	—	—
1826–27	—	—	—	—
1827–28	—	—	—	—
1828–29	—	—	—	—
£.	92,596	125	2,401	95,122

	£.
Advanced at the Three Presidencies - - - - - - -	31,070,210
Ditto St. Helena, Bencoolen, &c. - - - - - - - -	388,982
	31,459,192

(Errors excepted.)

East India House, 6 April 1832.

(signed) *Thos S. Cabell*, Deputy Acct Genl.

— No. 8. —

STATEMENT to show the SOURCES from which the EXPENDITURE and CREDITS contained in the GENERAL ACCOUNT CURRENT between the TERRITORIAL and COMMERCIAL BRANCHES (No. 7) have been derived.

BALANCE of Expenditure on account of the Territory in England, as per No. 5.			
Amount of the Payments as shown in that account - - -		£. 46,291,485	
Add for Bullion provided in Commercial Branch, applied to Territorial purposes, as per memorandum thereon - -		166,302	
		£. 46,457,787	
Amount of the Receipts as exhibited in that account	£. 8,516,331		
Add for amount to be transferred from Commercial to Territorial Receipts, as per memorandum inserted thereon - - - - - - -	75,600		
		8,591,931	
			37,865,856
Payments on account of ditto, from the Company's Commercial Funds in China, and at the Cape, as per No. 6. - - - - - - - - - -			1,109,307
		£.	38,975,163
As respects that part of the Territorial expenditure in England, which relates to the Provision of Military and other Public Stores for exportation, a computation is made at the time of their shipment, (upon the plan agreed on in 1814,) of the charges to be added to the invoices, in respect of interest, and proportion of Charges of the Commercial Establishments attaching to the respective articles; these items not being derived from a direct Cash Expenditure on account of the Territory, do not appear in the Home Cash Accounts, but necessarily enter, as a charge against the Territory, into the General Statement of Account between the Territorial and Commercial Branches; other items, as the apportionment of the rent of commercial buildings, the property of the Company, to Territorial purposes, &c. are similarly circumstanced. The aggregate of these particulars is the sum here carried out, and should be added to the foregoing expenditure -			426,156
There should be further added, the Balances of Adjustments made under various heads of charge, composing the Territorial Expenditure in England, as stated in the first instance in the Cash Accounts; these Accounts being required to be presented to Parliament within the first 14 sitting days after the termination of the official year, are necessarily prepared before the Company's Books of Account can be balanced, or the transactions of the year be fully audited, and although they contain the entire Receipt and Expenditure of the period, it usually occurs that transpositions and adjustments, generally to an inconsiderable amount, are subsequently made from one head of account to another; viz.			
Transfers of Exports from Commercial to Territorial Branch -		£. 22,882	
Adjustments to be made in Political Charges General in Receipts and Disbursements, after 1 May 1829, made in the books previously - - - - - - - - - - - -		12,918	
Ditto, previously made under various heads of account - -		40,922	
			76,722
		£.	39,478,041
Amount of Interest calculated to be due in account from the Territorial to the Commercial Branch, at the rate of the Home Bond Debt, not exhibited in Cash Accounts (No. 3.) - - - - - - - - - - - - -			1,536,078
		£.	41,014,119
Deduct amount for which the Territory is credited by the Commerce in respect of issues in India, under the 56th sec. of the 53 Geo. 3, c. 155, resulting from a variety of transactions, the particulars of which are fully shown in the Appendix to No. 7. - - -		£. 31,459,192	
That part of the expenditure on account of the Territory, (including the credit of 1,500,000 *l.* passed in account) which has been charged upon the surplus Commercial Profits, but which has not been introduced as a debit against the Territory, in the account current between the branches, per No. 3. - - - - - -		4,923,021	
			36,382,213
Balance due from Territory, as shown in No. 7. - -		£.	4,631,906

East India House, 6 April 1832. (Errors excepted.) (signed) *Thos S. Cabell*, Depy Acct General.

—No. 9.—

PARTICULARS of the ACCOUNT between the Two Branches of the Company's Affairs (No. 2,) Provision of FUNDS to meet such Payments, under the 55th Section of the 53 Geo. 3, c. 155, Yearly, (by transfer) in the

Dr.

	Bills of Exchange drawn for Interest on India Debt.	Bills of Exchange drawn for Treasury Notes of the Indian Government.	Bills of Exchange drawn for Principal of India Debt, in excess of the Amount discharged from Surplus Profits.	Bills of Exchange drawn for Cash received into the Indian Treasuries, under Advertisements of Government, discharged in England.	Sundry Payments in England to be deducted from Funds realized to meet Interest Bills per Contra.				TOTAL DEBTOR.	Bills in favour of the Company, for Supplies furnished from Territorial Funds in India.
					Charges on Account of Importations of Bullion defrayed after the Year in which the Bullion was Imported.	Disbursements in England and China, on Account of the Public, included in the Company's Claims upon Government in the Territorial Department.	Freight of Stores, &c. Chargeable to His Majesty's Government.	Payments to His Majesty's Government for Proceeds of Spices Imported from the Moluccas after the settlement of the Government Account.		
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1814–15	834,022	- -	- -	- -	- -	74,639	- -	- -	908,661	142,756
1815–16	412,039	- -	- -	- -	- -	152,941	- -	- -	564,980	154,673
1816–17	270,031	- -	- -	- -	- -	34,012	- -	- -	304,043	128,484
1817–18	396,076	158,617	- -	- -	- -	26,596	- -	- -	581,289	71,113
1818–19	611,431	- -	- -	- -	- -	16,569	- -	- -	628,000	162,464
1819–20	355,514	76,946	- -	- -	- -	Excess of Credits. 4,177	- -	- -	428,283	136,54[illegible]
1820–21	678,988	39,801	- -	- -	- -	3,994	- -	- -	722,783	200,561
1821–22	1,562,522	- -	- -	- -	- -	8,589	- -	- -	1,571,111	130,058
1822–23	1,419,587	- -	- -	- -	- -	1,124	- -	- -	1,420,711	148,365
1823–24	620,132	- -	1,568,491	- -	1,459	- - -	45	112,303	2,302,430	57,046
1824–25	421,138	- -	415,470	- -	- -	- - -	2,132	69,438	908,178	38,325
1825–26	430,039	- -	576,715	100,428	2,988	- - -	1,618	110,973	1,222,761	132,717
1826–27	423,290	- -	79,518	1,449	620	- - -	3,761	- -	508,638	22,891
1827–28	522,438	- -	5,701	- -	- -	- - -	5,162	- -	533,301	103,652
1828–29	640,570	- -	3,470	-	Loan to His Majesty's Government at the Cape of Good Hope, transferred for adjustment in the General Government Account.	18,203	3,309	- -	665,552	61,728
£.	9,597,817	275,364	2,649,365	101,877	5,067	314,287 18,203	16,027	292,714	13,270,721	1,686,374

East India House,
6 April 1832.

— — — — — — — —No. 9.—

in respect to PAYMENTS for Bills of Exchange drawn for Interest on INDIAN DEBT, &c., and drawn out so as to show the Balance upon this Account, without merging these Transactions Account (No. 1.)

Cr.

Government, in Repayment of Advances from Territorial Funds in India, not covered by Bills of Exchange.	Bills drawn by Court on India.	Net Produce of Bullion from India.	Congregations de Propaganda Fide at Rome, on account of Advances made to Missionaries in India.	Dutch Government, for Bills drawn on them.	Government, in further Account of Company's Claims.	Sums passed to the Credit of Government in their Account with the Company, viz. Net Produce of Spices from the Moluccas sold in England.	Bills on Navy Board, for Ships built for His Majesty's Service.	Government, on account of Sums advanced to His Majesty's Land Forces at St. Helena.	Sum directed to be applied by the Bengal Government under the Court's Order of 29 June 1821, to the Redemption of India Debt, as a mode of Remittance of equal Amount to meet Interest Bills paid by means of Surplus Commercial Profits.	Produce of Molucca Spices Sold in England.	TOTAL CREDITOR.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
- -	7,891	324,015	- -	- -	103,223	154,521	- -	- -	- -	- -	732,406
- -	520	- -	- -	- -	- -	118,030	- -	- -	- -	- -	273,223
- -	517	- -	- -	- -	387,145	26,932	- -	- -	- -	- -	538,078
- -	481	- -	- -	- -	- -	110,616	- -	- -	-	- -	182,210
- -	425	- -	- -	198,182	- -	77,432	26,874	- -	- -	- -	465,377
- -	1,010	- -	- -	107,243	- -	70,555	40,275	- -	- -	- -	355,624
- -	7,728	- -	200	42,086	- -	55,403	- -	- -	- -	- -	305,978
- -	- -	- -	- -	- -	- -	20,542	- -	117,236	1,500,000	- -	1,767,836
- -	- -	1,623,958	- -	- -	- -	- -	- -	- -	- -	22,777	1,795,100
- -	7,810	- -	- -	- -	- -	- -	- -	- -	- -	33,060	97,916
- -	1,820	989,163	- -	- -	- -	- -	- -	- -	- -	48,992	1,078,300
- -	1,570	- -	- -	- -	- -	- -	- -	3,711	- -	53,871	191,869
71,625	1,770	- -	- -	- -	- -	- -	- -	- -	- -	1,105	97,391
- -	2,252	- -	- -	- -	- -	- -	- -	- -	- -	- -	105,904
8,597	3,285	629,698	- -	- -	- -	- -	- -	- -	- -	- -	703,308
80,222	37,079	3,566,834	200	347,511	490,368	634,031	67,149	120,947	1,500,000	159,805	8,690,520
										Balance - - - -	4,580,201
										Sterling - - - £.	13,270,721

(Errors Excepted.)

Thos S. Cabell,
Dep^y Acc^t General.

Appendix, No. 3.

Accounts relating to the Home Concern and the Commercial Branch.

— No. 10. —

STATEMENT exhibiting and explaining, as far as can be done, the difference between the Account of ISSUES in *India* to COMMERCE, under the 56th section of the 53 Geo. 3, c. 155, as kept in *India*, (in Receipt and Disbursement Statements), and the Account with a similar object kept in *England*, from 1814–15 to 1828–29 inclusive.

	£.
Amount for which Commerce appears Dr. in the Account, as kept in India, comprehending the three Presidencies - - - - - - - - - -	30,364,295
Amount for which the Territory receives Credit in this respect upon the Balance of the Account as kept in England - - - - - - - - - -	31,070,210
The Home Account gives a credit to Territory exceeding the Amount with which the Commerce is charged in India, by - - - - - - - - -	705,915
The difference above shown is for the larger part occasioned by the variation in the method observed in India and in England respectively, in stating the amount of remittances of Treasure consigned from Canton to Bengal. In the account as kept in India, these remittances are credited to Commerce at the period of their receipt by the Bengal Government, and are stated as a deduction from the sums issued for commercial purposes in India in the year of their arrival. But in the account as kept at home, the Territory is debited on the shipment of the remittances from Canton, as for an outlay on the Territorial Account, leaving the credit for sums issued to the Commercial Branch, as stated in the Home Account, without any deduction for the amount which became available to the Bengal Government on this account, and consequently differing to that extent from the account as kept in India - - - - - - - - - - - - - - - - -	570,720
Remaining difference, or amount for which Commerce has really given a credit to the Territory exceeding the Debit charged in the account drawn from the Indian Receipts and Disbursements - - - - - - - - - £.	135,195

The account of the foregoing transactions between Territory and Commerce as kept in England, has been prepared from the books of account received from India, after a careful examination, revision and adjustment of those books from year to year. Those books embrace many transactions between the two branches, principally as respects the issue of goods and stores, the property of the one or the other branch, for their mutual service, which are not exhibited in the accounts of Receipts and Disbursements. These latter documents are not stated in sufficient detail to admit of a complete comparison of the items from which the view of the accounts as kept in India is deduced, with those which enter into the result as drawn from the books; but it is to be presumed that the excess of credit given by Commerce to Territory in the Home Accounts, is traceable to the circumstances already stated, and it follows that the Home view of this account is to be taken as the more complete and accurate view of these transactions.

(Errors excepted.)

East India House,
6 April 1832.

Thos S. Cabell,
Depy Acct Genl.

— No. 11. —

STATEMENT explaining generally the Difference of Result exhibited between the Account of "SUPPLIES between *India* and *London*," as kept in *India*, and the Accounts in *England* which it was intended should comprise the same Transactions.

		£.
BALANCE to the Credit of London, shown by the combined Account of "Supplies between India and London," including the heads of His Majesty's Government, Ceylon, Mauritius, Java, the Moluccas, &c., from 1814–15 to 1828–29, both years inclusive - - - - - - - - - - - - -		9,041,721
The Accounts kept in England, which answer to the London Account in India, and should ultimately agree with it in result, are the Account between the Territorial and Commercial Branches, Division No. 2, and the Account of Appropriations from the surplus Commercial Profits in England, so far as those appropriations have reference to the discharge of bills drawn for principal of India Debt.		
An Account, marked No. 9, combining the particulars in Division No. 2, of the Account first above referred to, shows that the Home Treasury has discharged in the corresponding period Bills of Exchange drawn for Interest of India Debt and other Territorial Services, beyond the amount which it has realized for remittances applicable to the discharge of those demands, the sum of	£. 4,580,201	
The Account No. 3, shows that of the Bills paid in England in the same period, which were drawn in liquidation of principal of India Debt, there was charged upon the Commercial profits to the extent of - - - - - - - - - - -	2,256,182	
TOTAL for which London debits India - - -		6,836,383
Difference less debited by London - - - £.		2,205,338

EXPLANATION.

		£.
Government Balance (exclusive of bills in favour) due to the Company, existing on 1st May 1814, made applicable after that period as a Fund for meeting the Interest Bills, London having been charged in India with the expenditure from which it resulted prior to that period - - - - - - - - -		2,112,113
Proceeds of Bullion, per Stirling Castle, shipped from India before 1st May 1814, for which the Territory received credit in this branch of the account, subsequently - - - - - - - - - - - - - - -		324,015
	£.	2,436,128
Territorial Bills unpaid 1st May 1814 - - - - - -	£. 1,396,913	
Ditto - - ditto - ditto 1829 - - - - - -	1,152,966	
Amount of Territorial Obligations existing on 1st May 1814, falling in course of liquidation after that period, in excess of the like obligations remaining for payment after 1st May 1829 - - - - - - - - - - -		243,947
	£.	2,192,181

There are many other circumstances by which the two accounts which form the subject of this comparison are differently affected, operating both to the increase and diminution of the difference above exhibited, as respects the rates at which the bills of exchange comprised in those accounts were drawn upon the Court; the interest growing due from His Majesty's Government, after allowing for charges incurred but not repaid, (interest not being calculated in the London account as kept in India,) with various other circumstances, which, as their effects counterbalance each other, it is not considered necessary more minutely to trace.

(Errors excepted.)

East India House,
6 April 1832.

(signed) *Thos S. Cabell*,
Dep^y Acc^t Genl.

Appendix, No. 4.

II.—TERRITORIAL.

Appendix, No. 4.

Finances of India.

FINANCES OF INDIA FROM 1814-15 TO 1828-29.

IT appears by the annexed Account, No. 1, which corresponds in result with the Papers before Parliament, that in the 15 years, 1814-15 to 1828-29, there has been a local surplus of 9,905,913 *l.* after defraying all territorial charges incurred and paid in Bengal, at Madras, and at Bombay, including the interest of the debt, whether paid in India or in England, but excluding all the Home charges, and the cost of all territorial stores exported from Europe.

This result is exclusive of the expense of Bencoolen, Prince of Wales Island, Singapore and Malacca, the supplies to which places and to St. Helena, within the said period, after deducting the supplies made from those settlements, appear, by Account No. 2, to have amounted to 2,548,011 *l.* whereof there was issued to the Commercial Department (as by Account No. 3,) 388,981 *l.*, leaving 2,159,930 *l.* to be added to the territorial expenditure; thus reducing the before-mentioned local surplus of 9,905,913 *l.* to 7,746,883 *l.*

Account No. 4, exhibits the result, as drawn from the Indian statements, of the transactions between India and London, from 1814-15 to 1828-29, and shows a balance due to London by India of 9,041,721 *l.* This is exclusive of stores received from London, which are all accounted for in the Home charges.

Account No. 5, exhibits the result, as drawn from the Indian statements, of the transactions between the Territorial and Commercial Departments in India, and shows, after charging the Commercial Branch with the sums issued on its account at the Subordinates, a balance of 30,753,271 *l.* to be accounted for to the Territory by the Commerce.

Account No. 6, exhibits the result of the Cash Debt Transactions, or, in other words, of the Debt Transactions, omitting such as did not enter simultaneously into cash receipt or payment. The net amount of debt incurred appears to have been 17,289,864 *l.* of which 1,109,975 *l.* is the amount of debt cancelled by the King of Oude, which being deducted from the above sum of 17,289,864 *l.* leaves 16,179,889 *l.* as the amount added to the debt of India within the period.

Account No. 7, exhibits summaries of all the cash transactions of the Governments of Bengal, Madras and Bombay, from 1814-15 to 1828-29, separate and combined. The preparation of this account necessarily embraced a revision of the printed Budget statements, the result of which shows that some few items of an extraordinary nature both of receipt and payment, were omitted in those Budgets. Supplying these omissions, and adjusting the Europe store account and the interest upon the Carnatic deposit to the principle now observed, the local surplus is reduced from the sum of 9,905,913 *l.* as stated in the printed accounts, to 9,304,411 *l.*; and on reference to the statement applicable to Bombay, it will be seen that, owing to an alteration of system, the Accountant-general of that Presidency stated as a deduction from cash balance, the amount of military advances outstanding. This sum of 240,183 *l.* clearly forms a charge, which thus further reduces the local surplus to 9,064,228 *l.* Deducting the supplies to the Subordinate Settlements upon the principle before explained, the local surplus is further reduced to 6,905,198 *l.*

The following is the Cash Result of all India, in a very condensed form; viz.

Cash in the Treasuries of Bengal, Madras and Bombay, 30th April 1814 -	£. 5,548,476	Supplies to Commercial Branch	£ 30,364,290
Surplus Revenue - - -	9,064,228	Supplies to Subordinates, including St. Helena - - -	2,548,011
Difference between Debt incurred and paid off, including Oude, cancelled Loan and Commissioners for the redemption of do.	17,289,864	Unadjusted Debts and Credits between the Presidencies -	421,795
		Do. between the several Treasuries subordinate to Madras -	289,968
			33,624,064
Balance of Supplies from London	9,041,717	Cash in the Treasuries of the three Presidencies, 30 April 1829	7,320,221
	£. 40,944,285		£. 40,944,285

Account

Account No. 8, shows the Net Charge of St. Helena to have amounted to 1,576,370*l.* from which must be deducted the sum of 100,690 *l.* included in the supplies from India to that island, leaving 1,475,680 *l.* as the balance of additional charge on the territorial revenues.

Account No. 9, contains a statement of the amount of the Home Territorial Charges for 1814-15 to 1828-29, which, after including all payments by the Home Treasury for stores sent to Prince of Wales' Island, Singapore and Malacca, and from China and the Cape of Good Hope to India, was 26,885,007 *l.*

East India House,
2 April 1832.

James C. Melvill,
Audr India Accts.

— No. 1. —

COMBINED RESULT of the REVENUES and CHARGES of *Bengal, Madras* and *Bombay*, exclusive of the SUBORDINATES and of the HOME CHARGES from 1814–15 to 1828–29.

	REVENUES.	CHARGES, including Interest.	LOCAL SURPLUS.	LOCAL DEFICIT.
	£.	£.	£.	£.
1814–15 - - - -	17,231,191	15,684,060	1,547,131	—
1815–16 - - - -	17,168,196	16,664,382	503,814	—
1816–17 - - - -	18,010,023	16,848,627	1,161,396	—
1817–18 - - - -	18,305,266	17,597,386	707,880	—
1818–19 - - - -	19,392,004	19,223,885	168,119	—
1819–20 - - - -	19,172,506	18,980,761	191,745	—
1820–21 - - -	21,292,036	19,422,823	1,869,213	—
1821–22 - - - -	21,753,273	19,488,301	2,264,972	—
1822–23 - - - -	23,120,935	19,777,970	3,342,965	—
1823–24 - - - -	21,238,623	20,554,528	684,095	—
1824–25 - - - -	20,705,152	21,871,362	- - -	1,166,210
1825–26 - - - -	21,096,966	23,922,053	- - -	2,825,087
1826–27 - - - -	23,327,753	23,172,688	155,065	—
1827–28 - - - -	22,812,147	23,736,208	- - -	922,061
1828–29 - - - -	22,691,721	21,417,101	1,274,620	—
Total of the 15 Years - £.	307,317,792	298,360,135	13,871,015	4,913,358
Deduct Deficit - -			4,913,358	
Surplus - £.			8,957,657	
Add, Sums included in Charges on account of Europe Stores, the whole cost of which is transferred to the Home Accounts - - - -			948,256	
Net Total Local Surplus - - - £.			9,905,913	

Appendix, No. 4.

Finances of India.

REVENUES and CHARGES of *Bengal* from 1814–15 to 1828–29.

	REVENUES.	CHARGES including Interest on Debts.	SURPLUS.	DEFICIT.
	£.	£.	£.	£.
1814–15	11,089,823	8,753,656	2,336,167	—
1815–16	11,243,273	9,301,806	1,941,467	—
1816–17	11,789,511	9,602,615	2,186,896	—
1817–18	11,621,514	10,082,800	1,538,714	—
1818–19	12,370,370	10,604,061	1,766,309	—
1819–20	12,187,570	10,748,958	1,438,612	—
1820–21	13,487,218	10,501,801	2,985,417	—
1821–22	13,340,503	10,349,482	2,991,021	—
1822–23	14,163,278	10,263,573	3,899,705	—
1823–24	12,950,308	10,911,428	2,038,880	—
1824–25	13,479,192	12,620,179	859,013	—
1825–26	13,119,658	13,973,499	- - -	853,841
1826–27	14,757,089	13,405,151	1,351,938	—
1827–28	14,921,983	13,486,879	1,435,104	—
1828–29	14,784,870	12,042,222	2,744,648	—
£.	195,306,160	166,646,110	29,513,891	853,841
Deduct Deficit			853,841	
TOTAL Net Revenue £.			28,660,048	

REVENUES and CHARGES of *Fort St. George*, from 1814–15 to 1828–29.

	REVENUES.	CHARGES, including Interest on Debts.	SURPLUS.	DEFICIT.
	£.	£.	£.	£.
1814–15	5,322,164	5,233,680	88,484	—
1815–16	5,106,107	5,406,319	- - -	300,212
1816–17	5,360,220	5,321,552	38,668	—
1817–18	5,381,307	5,602,272	- - -	220,965
1818–19	5,361,432	6,090,819	- - -	729,387
1819–20	5,407,004	5,806,288	- - -	399,284
1820–21	5,403,506	5,696,715	- - -	293,209
1821–22	5,557,029	5,510,389	46,640	—
1822–23	5,585,210	5,239,988	345,222	—
1823–24	5,498,765	6,398,598	- - -	899,833
1824–25	5,440,743	5,951,793	- - -	511,050
1825–26	5,714,915	5,917,467	- - -	202,552
1826–27	5,981,681	5,771,517	210,164	—
1827–28	5,347,838	6,186,622	- - -	837,784
1828–29	5,575,049	5,701,496	- - -	126,447
£.	82,042,970	85,835,515	729,178	4,521,723
Deduct Surplus				729,178
TOTAL Net Charge £.				3,792,545

REVENUES and CHARGES of *Bombay*, from 1814–15 to 1828–29.

	REVENUES.	CHARGES, including Interest on Debts.	SURPLUS.	DEFICIT.
	£.	£.	£.	£.
1814–15 - - - -	819,204	1,696,724	- - -	877,520
1815–16 - - - -	818,816	1,956,257	- - -	1,137,441
1816–17 - - - -	860,292	1,924,460	- - -	1,064,168
1817–18 - - - -	1,302,445	1,912,314	- - -	609,869
1818–19 - - - -	1,660,202	2,529,005	- - -	868,803
1819–20 - - - -	1,577,932	2,425,515	- - -	847,583
1820–21 - - - -	2,401,312	3,224,307	- - -	822,995
1821–22 - - - -	2,855,741	3,628,430	- - -	772,689
1822–23 - - - -	3,372,447	4,274,409	- - -	901,962
1823–24 - - - -	2,789,550	3,244,502	- - -	454,952
1824–25 - - - -	1,785,217	3,299,390	- - -	1,514,173
1825–26 - - - -	2,262,393	4,031,087	- - -	1,768,694
1826–27 - - - -	2,588,983	3,996,020	- - -	1,407,037
1827–28 - - - -	2,542,326	4,060,707	- - -	1,518,381
1828–29 - - - -	2,331,802	3,675,383	- - -	1,343,581
£.	29,968,662	45,878,510	—	
TOTAL Net Charge - - - £.				15,909,848

(Errors excepted.)

East India House,
2 April 1832.

James C. Melvill,
Audr Indian Accts.

— No. 2. —

NET AMOUNT of SUPPLIES from the PRESIDENCIES in *India* to the SUBORDINATES, including *St. Helena*.

	£.	£.	£.
1814–15. Bengal - - - - - -	169,654		
St. Helena - - - - - -	3,168		
		172,822	
Madras - - - - - - - -		453	
		173,275	
Deduct Supplies from Subordinates to Bombay -		101	
			173,174
1815–16. Bengal - - - - - -	160,313		
St. Helena - - - - - -	17,136		
		177,449	
Madras - - - - - - - -		902	
			178,351
1816–17. Bengal - - - - - -	136,389		
St. Helena - - - - - -	13,963		
		147,352	
Deduct Supplies from Subordinates to Madras - - - - - -	336		
Ditto from St. Helena to Ditto - -	101		
		437	
			146,915
Carried forward - - - £.			498,440

Appendix, No. 4.

Finances of India.

			£.	£.
	Brought forward - -		- - -	498,440
1817–18.	Bengal - - - - - -	£. 201,903		
	St. Helena - - - - -	4,898	206,801	
	Madras - - - - - -	1,136		
	St. Helena - - - - -	1,297	2,433	
				209,234
1818–19.	Bengal - - - - - -	185,382		
	St. Helena - - - - -	6,247	191,629	
	Deduct Supplies from Subordinates to Madras -	£. 84,671		
	Ditto from Madras to St. Helena - - - -	3,374	81,297	
	Ditto from Subordinates to Bombay -		188	81,485
				110,144
1819–20.	Bengal - - - - - -	154,117		
	St. Helena - - - - -	15,344	169,461	
	Madras - - - - -	3,063		
	St. Helena - - - - -	5,052	8,115	
			177,576	
	Deduct Supplies from Subordinates to Bombay -		33	
				177,543
1820–21.	Bengal - - - - - -	146,243		
	St. Helena - - - - -	5,191	151,434	
	Madras - - - - - -	379		
	St. Helena - - - - -	1,872	2,251	
			153,685	
	Deduct Supplies from Subordinates to Bombay -		984	
				152,701
1821–22.	Bengal - - - - - -	190,206		
	St. Helena - - - - -	2,637	192,843	
	Madras - - - - - - - -		1,855	
			194,698	
	Deduct Supplies from Subordinates to Bombay -		794	
				193,904
1822–23.	Bengal - - - - - -	260,028		
	St. Helena - - - - -	5,580	265,608	
	Madras - - - - - - - -		223	
			265,831	
	Deduct Supplies from Subordinates to Bombay -		7,694	
				258,143
1823–24.	Bengal - - - - - -	164,910		
	St. Helena - - - - -	7,879	172,789	
	Madras - - - - - -	169		
	St. Helena - - - - -	19	188	
				172,977
	Carried forward - - -		£.	1,773,086

		£.	£.
Brought forward - -		- - -	1,773,086
1824-25. Bengal - - - - - -	£. 250,685		
St. Helena - - - - - -	3,668		
		254,353	
Deduct Supplies from Subordinates to Madras - - - - - - -	50		
Ditto - ditto - to Bombay - £. 495			
Less Supplies from Bombay to St. Helena - - - - 378			
	117		
		167	
			254,186
1825-26. Bengal - - - - - - -	70,217		
St. Helena - - - - - -	4,946		
		75,163	
Madras - - - - - - - - -		7,998	
		83,161	
Deduct Supplies from Subordinates to Bombay - - - - - -	1,492		
Less Supplies from Bombay to St. Helena - - - - - - -	234		
		1,258	
			81,903
1826-27. Bengal - - - - - - -	104,438		
St. Helena - - - - - -	6,885		
		111,323	
Madras - - - - - - - - -		65,199	
Bombay—St. Helena - - - - - -		166	
			176,688
1827-28. Bengal - - - - - - -	129,964		
St. Helena - - - - - -	8,056		
		138,020	
Deduct Supplies from Subordinates to Madras - - - - - - -	26,210		
Ditto - ditto - to Bombay £. 2,842			
Less Supplies from Bombay to St. Helena - - - 374			
	2,468		
		28,678	
			109,342
1828-29. Bengal - - - - - - -	165,187		
Less Supplies from St. Helena to Bengal - - - - - -	17,687		
		147,500	
Madras - - - - - - - - -		5,394	
		152,894	
Deduct Supplies from St. Helena to Bombay -		88	
			152,806
		£.	2,548,011
The above Account contains the Net Supplies to St. Helena, amounting to - - - - - - - -		£.	100,690

(Errors excepted.)

East India House,
2 April 1832.

James C. Melvill,
Audr Indian Accts.

Appendix, No. 4.

Finances of India.

— No. 3. —

AMOUNT DEBITED and CREDITED for SUPPLIES to the COMMERCIAL DEPARTMENT, from *St. Helena, Bencoolen,* and *Prince of Wales Island.*

	DEBITED COMMERCIAL DEPARTMENT.				CREDITED COMMERCIAL DEPARTMENT.			
	St. Helena.	Bencoolen.	P.W.Island.	TOTAL.	St. Helena.	Bencoolen.	P.W.Island.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.
1814–15 -	- -	35,279	- -	35,279	—	—	—	—
1815–16 -	2,778	55,330	1,910	60,018	—	—	—	—
1816–17 -	19	15,980	195	16,194	—	—	—	—
1817–18 -	115	21,011	4,280	25,406	—	—	—	—
1818–19 -	227	- -	1,034	1,261	- -	- -	3,435	3,435
1819–20 -	1,212	10,976	600	12,788	—	—	—	—
1820–21 -	250	20,585	2,218	23,053	375	- -	- -	375
1821–22 -	- -	33,917	1,050	34,967	—	—	—	—
1822–23 -	661	43,287	1,226	45,174	373	200	- -	573
1823–24 -	1,125	43,173	- -	44,298	174	- -	- -	174
1824–25 -	991	59,313	- -	60,304	210	- -	- -	210
1825–26 -	1,865	- -	24,643	26,508	92	- -	- -	92
1826–27 -	2,116	- -	2,602	4,718	689	- -	- -	689
1827–28 -	2,669	- -	48	2,717	129	- -	- -	129
1828–29 -	2,381	- -	12	2,393	420	- -	- -	420
£.	16,409	338,851	39,818	395,078	2,462	200	3,435	6,097
Deduct Amount Credited - -				6,097				
Balance - - £.				388,981				

(Errors excepted.)

East India House,
2 April 1832.

James C. Melvill,
Aud^r Indian Acc^ts.

— No. 4. —

COMBINED ACCOUNT of SUPPLIES between *India* and *London*, including the Heads of His Majesty's Government, *Ceylon, Mauritius, Java*, the *Moluccas*, &c. from 1814–15 to 1828–29, both Years inclusive.

	BENGAL.	MADRAS.	BOMBAY.	TOTAL.
SUPPLIES from LONDON:	£.	£.	£.	£.
Bills on the Court, including those drawn for principal and interest of Indian debt	11,249,310	2,607,612	1,352,667	15,209,589
Credits under the head of His Majesty's Government, including Java, Mauritius, Ceylon, the Moluccas, &c.	2,765,349	144,213	- - -	2,909,562
Advances to civil and military funds, and to individuals recovered	167,501	704,681	245,664	1,117,846
Bullion transmitted through China	23,628	- - -	- - -	23,628
Consignments of copper coins	- - -	28,284	- - -	28,284
Payments on account of the Carnatic fund	- - -	1,685,051	- - -	1,685,051
Stamp duty on Bhurtpore prize property	25,630	- - -	- - -	25,630
Iron bridge for the Nabob of Oude	28,918	- - -	- - -	28,918
Privilege certificates to commanders of Europe ships	14,290	- - -	- - -	14,290
Annuities to civil servants to be paid by the Court	25,343	- - -	- - -	25,343
Family remittances	- - -	- - -	1,205	1,205
Miscellaneous	17,370	9,637	5,228	32,235
£.	14,317,339	5,179,478	1,604,764	21,101,581
SUPPLIES to LONDON:				
Bills drawn by the Court	63,627	28,356	- - -	91,983
Bills on the King's Government transmitted to the Court	1,362,015	- - -	- - -	1,362,015
Certificates granted by the Court in satisfaction of bills drawn on them	245,653	- - -	- - -	245,653
Bills on the Court cancelled	25,876	- - -	- - -	25,876
Consignments of treasure	2,824,770	926,813	103,420	3,855,003
Supplies to His Majesty's Government, including Java, Mauritius, Ceylon, the Moluccas, &c.	4,236,093	484,882	57,825	4,778,800
Amount placed at the disposal of the Commissioners for the reduction of debt	1,500,000	- - -	- - -	1,500,000
Charter-party and other payments	- - -	- - -	11,613	11,613
Miscellaneous advances and disbursements, including Lord Clive's fund	98,439	84,052	6,426	188,917
£.	10,356,473	1,524,103	179,284	12,059,860
Balance of SUPPLIES from LONDON - - £.				9,041,721

(Errors excepted.)

East India House,
2 April 1832.

James C. Melvill,
Aud^r Indian Acc^ts.

(Appendix to No. 4.) - - - - - - - -

ACCOUNT of SUPPLIES between *India* and *London*, including the Heads of from 1814–15 to 1828–29,

BENGAL.	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.
SUPPLIES from LONDON:	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
Bills on the Court (including those drawn for Principal and Interest of Indian Debt) - -	38,79,831	14,04,994	21,69,518	23,83,096	14,30,689	26,91,491
Credits, under the Head of His Majesty's Government, including Java, Mauritius, Ceylon, the Moluccas, &c. - - - - - -	1,03,983	6,97,914	1,16,82,811	14,84,189	20,54,468	16,59,372
Bullion transmitted through China - - -	- -	- -	2,03,692	- -	- -	- -
Advances to Civil and Military Funds, &c. recovered - - - - - - -	- -	- -	21,552	40,129	18,966	22,414
Stamp Duty on Bhurtpore Prize Property -	- -	- -	- -	- -	- -	- -
Iron Bridge for the Nabob of Oude - - -	- -	- -	1,79,913	- -	- -	- -
Privilege Certificates to Commanders of Europe Ships - - - - - - - -	- -	- -	- -	- -	- -	20,000
Annuities to Civil Servants to be paid by the Court	- -	- -	- -	- -	- -	- -
Miscellaneous - - - - - - -	15,032	- -	4,800	- -	- -	- -
Sicca Rupees	39,98,846	21,02,908	1,42,62,286	39,07,414	35,04,123	43,93,277
SUPPLIES to LONDON:						
Bills drawn by the Court - - - -	3,71,210	65,000	- -	- -	- -	- -
Bills on the King's Government transmitted to the Court - - - - - - -	- -	- -	13,00,195	13,21,398	17,63,517	14,56,958
Certificates Granted by the Court in satisfaction of Bills drawn on them - - - -	- -	- -	- -	- -	- -	- -
Bills on the Court cancelled - - - -	- -	- -	- -	- -	- -	- -
Treasure consigned - - - - - -	- -	- -	- -	- -	- -	- -
Supplies to the King's Government, including Java, Ceylon, Mauritius, the Moluccas, &c. -	71,09,102	44,35,306	68,31,730	24,62,329	39,61,415	25,00,967
Amount placed at the disposal of the Commissioners for the Reduction of Debt - -	- -	- -	- -	- -	- -	- -
Miscellaneous Advances and Disbursements, including Lord Clive's Fund - - - -	61,464	17,827	36,494	36,157	42,368	36,464
Sicca Rupees	75,41,776	45,18,133	81,68,419	38,19,884	57,67,300	39,94,389
Balance of Supplies from London - *Rupees*	- -	- -	60,93,867	87,530	- -	3,98,888
Balance of Supplies from London - - - £.	- -	- -	706,889	10,153	- -	46,271
Ditto - - ditto - to London - *Rupees*	35,42,930	24,15,225	- -	- -	22,63,177	- -
Ditto - - ditto - to London - - - £.	410,980	280,166	- -	- -	262,528	- -

(Appendix to No. 4.)

His Majesty's Government, *Ceylon, Mauritius, Java,* the *Moluccas,* &c.; both Years inclusive.

1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	TOTAL.
Sicca Rupees.	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
90,68,468	1,19,73,376	2,58,24,081	60,28,133	97,84,122	45,51,256	45,70,476	50,04,996	62,12,287	9,69,76,814
10,08,385	8,95,239	4,83,889	2,37,753	10,12,387	5,59,913	9,88,197	5,84,378	3,86,335	2,38,39,213
- -	- -	- -	- -	- -	- -	- -	- -	- -	2,03,962
19,828	46,193	71,458	1,08,968	77,328	1,82,611	2,07,450	3,64,908	2,62,079	14,43,974
- -	- -	- -	- -	- -	- -	- -	- -	2,20,944	2,20,944
- -	69,376	- -	- -	- -	- -	- -	- -	- -	2,49,289
- -	29,084	74,104	- -	- -	- -	- -	- -	- -	1,23,188
- -	- -	- -	- -	- -	- -	28,333	65,556	1,24,583	2,18,472
- -	- -	53,975	34,695	1,710	7,735	11,794	17,089	2,916	1,49,746
1,00,96,681	1,30,13,268	2,65,07,597	64,09,549	1,08,75,547	53,01,515	58,06,250	60,36,927	72,09,144	12,34,25,332
- -	45,283	- -	67,015	- -	- -	- -	- -	- -	5,48,508
8,31,347	9,37,928	4,12,709	2,37,054	9,91,626	5,43,379	9,84,680	5,78,542	3,82,173	1,17,41,506
- -	- -	- -	21,17,700	- -	- -	- -	- -	- -	21,17,700
86,547	- -	20,600	- -	1,15,921	- -	- -	- -	- -	2,23,068
- -	1,66,06,176	- -	41,90,573	- -	- -	- -	35,54,721	- -	2,43,51,470
19,20,038	20,61,595	11,56,638	4,54,370	12,25,556	2,39,945	11,60,789	5,91,157	4,07,102	3,65,18,039
- -	- -	1,29,31,034	- -	- -	- -	- -	- -	- -	1,29,31,034
51,834	27,781	1,35,260	52,355	28,524	1,01,615	1,12,243	55,708	52,520	8,48,614
28,89,766	1,96,78,763	1,46,56,241	71,19,067	23,61,627	8,84,939	22,57,712	47,80,128	8,41,795	8,92,79,939
72,06,915	- -	1,18,51,356	- -	85,13,920	44,16,576	35,48,538	12,56,799	63,67,349	3,41,45,393
836,002	- -	1,374,757	- -	987,615	512,323	411,630	145,789	738,612	3,960,866
- -	66,65,495	- -	7,09,518	—	—	—	—	—	—
- -	773,197	- -	82,304	—	—	—	—	—	—

MADRAS.	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.
SUPPLIES from LONDON:	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
Bills on the Court - - - - - -	12,06,264	6,57,504	13,37,341	20,96,253	10,48,743	23,18,288
Credits under the head of His Majesty's Government, Java, &c. - - - - -	24,034	19,957	71,923	68,756	1,52,965	88,026
Payments on account of the Carnatic Fund -	15,81,175	11,46,617	15,94,185	7,96,679	11,06,042	7,44,327
Advances to Civil and Military Funds and to Individuals, recovered, - - - -	1,24,471	1,87,208	1,14,022	3,84,368	1,53,288	1,92,407
Consignments of Copper Coins - - -	- -	- -	- -	- -	- -	- -
Miscellaneous - - - - - - -	3,573	12,408	- -	- -	- -	- -
Rupees	29,39,517	20,63,694	31,17,471	33,46,056	24,61,038	33,43,048
SUPPLIES to LONDON:						
Bills drawn by the Court - - - -	7,815	12,363	7,454	11,830	11,555	11,345
Consignments of Treasure - - - -	- -	- -	- -	- -	- -	- -
Supplies to His Majesty's Government, including Java, &c. - - - - - -	16,98,473	11,03,722	2,67,236	1,51,518	1,19,000	79,724
Miscellaneous - - - - - - -	1,036	961	40,573	14,207	17,154	13,713
Rupees	17,07,324	11,17,046	3,15,263	1,77,555	1,47,709	1,04,782
Balance of Supplies from London { *Rupees*	12,32,193	9,46,648	28,02,208	31,68,501	23,13,329	32,38,266
Balance of Supplies from London { £.	140,822	108,188	320,252	362,114	264,380	370,088
Ditto - ditto - to London - - - - - - - - - - - - - - - -						

BOMBAY.						
SUPPLIES from LONDON:						
Bills on the Court - - - - - -	3,98,580	4,01,282	7,67,952	7,21,489	11,67,420	10,82,326
Advances to Civil and Military Funds and to Officers, recovered - - - - - -	8,588	3,449	39,713	2,565	4,74,562	75,648
Family Remittances - - - - - -	- -	- -	- -	- -	- -	- -
Miscellaneous - - - - - - -	351	188	141	1,017	552	558
Rupees	4,07,519	4,04,919	8,07,806	7,25,071	16,42,534	11,58,532
SUPPLIES to LONDON:						
Consignment of Treasure - - - - -	- -	- -	- -	- -	- -	- -
His Majesty's Government, Advances to Naval Commissioners - - - - - -	2,30,000	2,52,000	32,000	- -	- -	- -
Charter-party and other Payments - - -	13,503	47,279	18,736	23,709	- -	- -
Miscellaneous - - - - - - -	- -	- -	- -	- -	- -	- -
Rupees	2,43,503	2,99,279	50,736	23,709	- -	- -
Balance of Supplies from London { *Rupees*	1,64,016	1,08,640	7,57,070	7,01,362	16,42,534	11,58,532
Balance of Supplies from London { £.	18,452	11,884	85,171	78,903	184,785	130,335
Ditto - ditto - to London - - - - - - - - - - - - - - - -						

1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	TOTAL.
Rupees.	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*	*Rupees.*
27,65,728	25,68,296	13,24,347	8,43,801	8,86,576	9,95,346	12,81,100	15,85,851	18,61,169	2,28,16,607
2,74,358	82,512	70,382	72,130	71,204	64,732	37,584	92,858	70,440	12,61,861
9,43,263	7,44,830	8,40,123	8,81,371	7,76,212	7,97,746	9,28,544	10,35,832	8,27,254	1,47,44,200
3,05,536	5,06,722	5,46,446	5,11,791	5,32,366	4,97,249	6,94,784	7,07,240	7,08,058	61,65,956
- -	- -	- -	- -	- -	28,105	1,20,666	98,718	- -	2,47,489
- -	- -	- -	3,030	1,833	6,931	14,541	19,359	22,652	84,327
42,88,885	39,02,360	27,81,298	23,12,123	22,68,191	23,90,109	30,77,219	35,39,858	34,89,573	4,53,20,440
19,658	17,430	19,905	9,818	20,558	19,372	8,971	32,629	37,410	2,48,113
- -	- -	- -	50,93,242	- -	- -	- -	30,16,376	- -	81,09,618
82,096	84,776	91,166	66,751	64,265	66,790	1,00,012	1,68,775	98,407	42,42,711
32,888	30,679	32,358	46,876	60,608	94,982	140,341	1,07,548	1,01,537	7,35,461
1,34,642	1,32,885	1,43,429	52,16,687	1,45,431	1,81,144	2,49,324	33,25,328	2,37,354	1,33,35,903
41,54,243	37,69,475	26,37,869	- -	21,22,760	22,08,965	28,27,895	2,14,530	32,52,219	3,19,84,537
474,771	430,797	301,471	- -	242,601	252,453	323,188	24,518	371,682	3,655,376
- - - - -		*Rupees*	29,04,564						
		£.	331,950						

10,59,148	11,83,255	7,51,201	5,01,395	5,64,540	5,95,211	7,06,811	9,48,273	11,74,825	1,20,23,708
1,20,454	1,43,193	34,425	82,574	363,231	1,78,962	1,54,806	1,91,741	3,36,828	21,83,679
- - -	- -	- -	- -	- -	1,726	2,358	3,255	3,375	10,714
577	1,372	299	1,475	1,506	33,295	998	4,144	- -	46,473
11,80,179	13,27,820	7,85,925	5,85,384	9,02,277	8,09,194	864,973	11,47,413	15,15,028	1,42,64,574
- -	- -	- -	9,19,287	- -	- -	- -	- -	- -	9,19,287
- -	- -	- -	- -	- -	- -	- -	- -	- -	5,14,000
- -	- -	- -	- -	- -	- -	- -	- -	- -	1,03,277
- -	- -	4,089	2,598	31,870	282	4,016	3,900	10,368	57,123
- -	- -	4,089	9,21,885	31,870	282	4,016	3,900	10,368	15,93,637
11,80,179	13,27,820	7,81,836	- -	8,70,407	8,08,912	8,60,957	11,43,513	15,04,660	1,26,70,937
132,770	149,380	87,957	- -	97,921	91,003	96,858	128,645	169,274	1,425,480
		Rupees	3,36,501						
		£.	37,856						

Appendix, No. 4.

Finances of India.

— No 5. —

COMBINED ACCOUNT of SUPPLIES between COMMERCE and TERRITORY in *India*, from 1814–15 to 1828–29, both Years inclusive.

	BENGAL.	MADRAS.	BOMBAY.	TOTAL
SUPPLIES from COMMERCE:	£.	£.	£.	£.
Sales of Imports and Exports, &c. -	3,207,166	550,518	2,313,670	6,071,354
Stores issued to different departments, & consigned to the other Presidencies, &c.	1,560,121	644,380	12,129	2,216,630
Bullion received from England - -	218,045	- - -	- - -	218,045
Advances and Charges recovered - -	- - -	183,486	- - -	183,486
Miscellaneous (including difference of exchange) - - - - -	48,987	36,370	- - -	85,357
Treasure consigned from Canton - -	570,720	- - -	- - -	570,720
Other supplies from ditto - - -	1,175	15,142	2,948	19,265
	5,606,214	1,426,896	2,328,747	9,364,857
SUPPLIES to COMMERCE:				
Advances for the purchase of Investments, &c. - - - - -	21,468,625	4,540,868	3,581,728	29,591,221
Customs duty on the Investments -	425,273	142,785	30,010	598,068
Stores, &c. received from different departments and consigned from the other Presidencies - - - -	242,291	173,134	449,341	864,766
Building Ships for the Company's Trade - - - - - -	- - -	- - -	7,167	7,167
Commercial Salaries and Establishments	541,467	473,562	- - -	1,015,029
Charterparty allowances and demorage of Europe ships - - - -	87,884	26,562	- - -	114,446
Charges of merchandize - - -	- - -	260,111	- - -	260,111
Recoveries on account of His Majesty's Government - - - - -	63,378	- - -	- - -	63,378
Miscellaneous - - - - - -	68,973	56,706	- - -	125,679
Bills drawn by the Canton Supracargoes - - - - - -	5,808,339	- - -	436,480	6,244,819
Treasure remitted to ditto - - -	707,218	- - -	- - -	707,218
Other Supplies to ditto, including Stores	67,943	- - -	69,307	137,250
£.	29,481,391	5,673,728	4,574,033	39,729,152
Balance of SUPPLIES to COMMERCE - - £.				30,364,295

(Errors excepted.)

East India House,
2 April 1832.

James C. Melvill,
Aud^r Indian Acc^ts.

(Appendix to No. 5.)

ACCOUNT of SUPPLIES between COMMERCE and TERRITORY in *India*, from 1814–15 to 1828–29, both Years inclusive.

(Appendix to No. 5.) - - - - - - - -

ACCOUNT of SUPPLIES between COMMERCE and TERRITORY

BENGAL.	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.
SUPPLIES from COMMERCE:	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
Sale of Imports and Exports - - - -	18,67,799	25,54,200	24,44,536	19,48,465	26,75,219	20,58,010
Stores issued to different Departments, and consigned to the other Presidencies, &c. - -	15,69,383	13,18,413	21,31,640	15,20,459	12,91,746	13,96,484
Bullion received from England - - -	- -	- -	- -	9,51,130	9,28,572	- -
Miscellaneous (including difference of Exchange)	- -	- -	65,029	22,966	18,345	14,367
Treasure consigned from Canton - - -	- -	- -	- -	- -	49,20,000	- -
Tea - - ditto - - ditto - - -	- -	- -	- -	- -	- -	- -
Sicca Rupees	34,37,182	38,72,613	46,41,205	44,43,020	98,33,882	34,68,861
SUPPLIES to COMMERCE:						
Advances for the purchase of Investments -	49,83,377	75,57,718	78,49,727	90,18,774	89,89,043	1,20,25,285
Customs Duty on the Investments - - -	5,33,211	1,65,563	1,96,365	2,29,279	1,65,704	2,93,701
Stores received from different Departments, and consigned from the other Presidencies, &c. -	- -	2,30,138	1,22,747	2,07,393	1,22,867	3,12,248
Salaries of the Members of the Board of Trade and other Commercial Servants - - -	2,81,145	2,84,424	2,79,398	2,75,796	2,92,044	3,14,618
Charter-party allowances and demorage of Europe Ships - - - - - -	84,872	1,20,282	95,677	1,38,615	96,699	99,375
Recoveries on account of His Majesty's Government - - - - - - -	- -	- -	4,72,456	- -	- -	- -
Miscellaneous - - - - - - -	- -	- -	11,465	14,853	25,740	56,804
Bills drawn by the Canton Supracargoes -	49,41,034	45,33,999	22,99,396	31,40,121	- -	12,23,020
Treasure remitted to - ditto - - -	- -	10,30,208	4,07,385	- -	- -	25,55,162
Consignment of Cotton, &c. to ditto - -	3,49,478	2,32,660	- -	3,581	- -	- -
Sicca Rupees	1,11,73,117	1,41,54,992	1,17,34,616	1,30,28,412	96,92,097	1,68,80,213
Balance of Supplies to Commerce { *Sicca Rupees*	77,35,935	1,02,82,379	70,93,411	85,85,392	- -	1,34,11,352
Balance of Supplies to Commerce { - - £.	897,368	1,192,756	822,835	995,905	- -	1,555,717
Ditto - ditto - from ditto - - - - - - - - - { *Sicca Rupees*					1,41,785	
Ditto - ditto - from ditto - - - - - - - - - { - - £.					16,447	

(Appendix to No. 5.)

in *India*, from 1814–15 to 1828–29, both Years inclusive.

1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	TOTAL.
Sicca Rupees.	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
19,95,557	29,06,846	24,97,931	25,39,554	18,34,242	4,05,992	8,26,350	3,49,693	7,43,586	2,76,47,980
10,50,134	9,77,374	6,30,272	3,66,375	3,66,540	2,23,376	2,20,871	2,77,814	1,08,435	1,34,49,316
- -	- -	- -	- -	- -	- -	- -	- -	- -	18,79,702
16,391	17,718	1,08,583	37,221	23,707	25,199	42,958	20,751	9,065	4,22,300
- -	- -	- -	- -	- -	- -	- -	- -	- -	49,20,000
- -	- -	- -	- -	- -	- -	- -	- -	10,132	10,132
30,62,082	39,01,938	32,36,786	29,43,150	22,24,489	6,54,567	10,90,179	6,48,258	8,71,218	4,83,29,430
1,17,20,455	1,25,27,946	1,29,34,014	1,29,77,182	1,39,11,644	1,61,03,896	1,83,66,908	2,05,96,078	1,55,12,305	18,50,74,352
2,82,810	2,58,912	2,59,858	1,34,261	2,24,565	2,10,935	2,45,378	2,02,380	2,63,220	36,66,142
87,169	56,948	77,847	1,05,209	68,390	1,98,530	69,973	2,07,464	2,21,788	20,88,711
3,11,429	2,94,683	3,70,081	3,37,375	3,21,160	3,17,917	3,40,658	3,35,484	3,11,605	46,67,817
40,181	57,238	24,681	- -	- -	- -	- -	- -	- -	7,57,620
- -	- -	73,908	- -	- -	- -	- -	- -	- -	5,46,364
13,250	15,792	24,319	89,020	30,360	1,38,449	55,755	85,405	33,385	5,94,597
37,50,292	35,23,257	45,16,960	40,51,149	70,09,722	14,89,860	11,26,088	15,49,994	69,17,000	5,00,71,892
- -	- -	- -	21,03,953	- -	- -	- -	- -	- -	60,96,708
- -	- -	- -	- -	- -	- -	- -	- -	- -	5,85,719
1,62,05,586	1,67,34,776	1,82,81,668	1,97,98,149	2,15,65,841	1,84,59,587	2,02,04,760	2,29,76,805	2,32,59,303	25,41,49,922
1,31,43,504	1,28,32,838	1,50,44,882	1,68,54,999	1,93,41,352	1,78,05,020	1,91,14,581	2,23,28,547	2,23,88,085	20,58,20,492
1,524,646	1,488,609	1,745,206	1,955,180	2,243,597	2,065,382	2,217,291	2,590,111	2,597,018	23,875,174

MADRAS.	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.
SUPPLIES from COMMERCE:	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.
Sale of Imports and Exports (including gain on Sales, &c.) - - - - - -	7,10,227	4,38,294	2,88,260	4,26,388	2,78,018	7,77,007
Stores issued to the different Departments and consigned to the other Presidencies - -	6,78,482	5,51,558	6,24,103	3,15,003	2,24,162	4,41,468
Advances and Charges recovered - - -	1,63,583	58,697	1,62,389	64,893	1,53,984	3,23,626
Miscellaneous - - - - - -	3,398	7,534	19,516	11,358	28,418	747
Supplies from Canton - - - - -	- - -	44,898	63,931	21,689	1,973	- - -
Rupees	15,55,690	11,00,981	11,58,199	8,39,331	6,86,555	15,42,848
SUPPLIES to COMMERCE:						
Commercial Salaries and Establishments -	5,52,766	5,13,807	4,83,903	5,00,465	4,07,180	3,83,400
Advances for the provision of Investments including the Ceylon Cinnamon Investment, &c.	23,20,979	34,15,913	38,73,006	34,25,723	34,43,376	27,50,189
Customs Duty on the Investments - - -	2,60,022	1,56,016	81,526	48,832	1,13,351	77,383
Charges of Merchandize - - - -	3,48,064	3,15,570	2,47,492	2,87,605	2,65,484	3,03,932
Demorage, Charter-party Allowances, &c. -	35,753	77,528	38,230	37,597	12,843	15,759
Dead Stock and Stores, &c. - - - -	- - -	- - -	4,52,662	4,94,102	41,611	67,926
Miscellaneous, including loss on Sales - -	29,841	35,623	22,158	61,852	65,476	33,888
Rupees	35,47,425	45,14,457	51,98,977	48,56,176	43,49,321	36,32,477
Balance of Supplies from Commerce { *Rupees*	—	—	—	—	—	—
Balance of Supplies from Commerce { £.	—	—	—	—	—	—
Ditto - ditto - to ditto - { *Rupees*	19,91,735	34,13,476	40,40,778	40,16,845	36,62,766	20,89,629
Ditto - ditto - to ditto - { £.	227,627	390,111	461,803	459,068	418,602	238,815
BOMBAY.						
SUPPLIES from COMMERCE:						
Sale of Imports, &c. - - - - - -	17,47,849	19,23,486	14,29,121	16,10,557	21,01,228	19,86,989
Stores consigned to other Presidencies, &c. -	- -	- -	- -	- -	- -	- -
Supplies from China - - - - - -	- -	7,602	12,100	- -	- -	5,845
Rupees	17,47,849	19,31,088	14,41,221	16,10,557	21,01,228	19,92,834
SUPPLIES to COMMERCE:						
Advances for the purchase of Investments, &c. -	28,68,224	38,75,346	30,75,249	42,26,170	31,34,889	9,72,013
Stores received from the other Presidencies -	37,184	1,87,703	3,64,342	3,55,966	6,74,580	9,07,772
Building Ships for the Company's trade - -	2,385	61,320	- -	- -	- -	- -
Customs Duty on the Investments, &c. - -	- -	- -	- -	- -	- -	- -
Supplies to Canton, including Stores - -	- -	- -	359	- -	- -	- -
Bills of the Canton Supracargoes - - -	- -	- -	1,32,000	- -	- -	- -
Rupees	29,07,793	41,24,369	35,71,950	45,82,136	38,09,469	18,79,785
Balance of Supplies from Commerce { *Rupees*	- -	- -	- -	- -	- -	1,13,049
Balance of Supplies from Commerce { £.	- -	- -	- -	- -	- -	12,718
Ditto - ditto - to ditto - - { *Rupees*	11,59,944	21,93,281	21,30,729	29,71,579	17,08,241	- -
Ditto - ditto - to ditto - - { £.	130,494	246,744	239,706	334,303	192,177	- -

1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	TOTAL.
Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.
1,92,898	5,65,694	4,14,719	1,95,760	2,30,175	2,07,702	60,793	21,293	9,806	48,17,034
11,28,459	3,15,927	2,66,092	2,72,173	2,28,894	2,62,817	1,05,071	1,19,811	1,04,303	56,38,323
1,24,501	3,48,821	2,05,010	- - -	- - -	- - -	- - -	- - -	- - -	16,05,504
13,832	4,040	8,282	41,031	49,819	6,436	58,276	30,962	34,590	3,18,239
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	1,32,491
14,59,690	12,34,482	8,94,103	5,08,964	5,08,888	4,76,955	2,24,140	1,72,066	1,48,699	1,25,11,591
3,74,853	2,54,716	2,16,686	94,619	77,899	69,367	68,315	72,057	73,633	41,43,666
33,87,968	27,76,813	19,35,137	16,14,425	22,06,201	12,18,889	20,32,787	31,36,526	21,94,667	3,97,32,599
76,671	37,173	37,679	53,111	58,970	57,622	42,187	56,884	91,943	12,49,370
3,20,887	1,05,962	80,983	- - -	- - -	- - -	- - -	- - -	- - -	22,75,979
5,957	1,750	7,000	- - -	- - -	- - -	- - -	- - -	- - -	2,32,417
1,41,082	16,825	3,601	23,354	60,930	29,029	20,282	1,12,337	51,177	15,14,918
22,308	24,407	63,619	9,097	11,480	42,889	31,459	7,995	34,084	4,96,176
43,29,726	32,17,646	23,44,705	17,94,606	24,15,480	14,17,796	21,95,030	33,85,799	24,45,504	4,96,45,125
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
28,70,036	19,83,164	14,50,602	12,85,642	19,06,592	9,40,841	19,70,890	32,13,733	22,96,805	3,71,33,534
328,004	226,647	165,783	146,931	217,896	107,525	225,244	367,284	262,492	4,243,832
17,52,812	23,28,385	18,36,891	13,61,358	13,60,255	5,90,281	2,83,189	1,68,049	85,508	2,05,65,958
66,842	7,209	- -	- -	- -	- -	993	13,251	19,515	1,07,810
- -	- -	- -	- -	- -	- -	- -	464	198	26,209
18,19,654	23,35,594	18,36,891	13,61,358	13,60,255	5,90,281	2,84,182	1,81,764	1,05,221	2,06,99,977
19,23,270	14,77,316	13,23,085	13,24,172	24,00,140	12,38,777	11,20,060	17,39,140	11,39,732	3,18,37,583
13,47,042	56,170	24,720	- -	19	- -	32,934	5,707	- -	39,94,139
- -	- -	- -	- -	- -	- -	- -	- -	- -	63,705
- -	- -	- -	- -	- -	- -	88,440	1,16,038	62,274	2,66,752
- -	- -	5,00,690	97,714	17,298	- -	- -	- -	- -	6,16,061
- -	- -	27,23,462	10,24,368	- -	- -	- -	- -	- -	38,79,830
32,70,312	15,33,486	45,71,957	24,46,254	24,17,457	12,38,777	12,41,434	18,60,885	12,02,006	4,06,58,070
- -	8,02,108	—	—	—	—	—	—	—	—
- -	90,237	—	—	—	—	—	—	—	—
14,50,658	- -	27,35,066	10,84,896	10,57,202	6,48,496	9,57,252	16,79,121	10,96,785	1,99,58,093
163,199	- -	307,695	122,051	118,935	72,956	107,691	188,901	123,388	2,245,285

Appendix, No. 4.

Finances of India.

— No. 6. —

A STATEMENT of the CASH DEBT-TRANSACTIONS of *Bengal, Madras* and *Bombay*, from 1814–15 to 1828–29 inclusive.

		£.
1814–15	Amount of Debt incurred in this year in excess of the amount discharged - - - - - - -	1,001,225
1815–16	- - ditto - - ditto - - - -	1,564,839
1816–17	- - ditto - - ditto - - - -	410,811
1817–18	- - ditto - - ditto - - - -	706,843
1818–19	- - ditto - - ditto - - - -	1,820,849
1819–20	- - ditto - - ditto - - - -	3,564,176
1821–22	- - ditto - - ditto - - - -	14,283
1824–25	- - ditto - - ditto - - - -	860,779
1825–26	- - ditto - - ditto - - - -	5,070,374
1826–27	- - ditto - - ditto - - - -	1,112,328
1827–28	- - ditto - - ditto - - - -	4,458,552
		20,585,059
Deduct,		
		£.
1820–21	Amount of Debt discharged in this year in excess of the amount incurred -	38,143
1822–23	- ditto - ditto - -	341,030
1823–24	- ditto - ditto - -	2,785,846
1828–29	- ditto - ditto - -	130,176
		3,295,195
	Net Amount incurred -	17,289,864
	Of which there has been cancelled by the King of Oude for cession of Territory - - - - -	1,109,975
	Amount of Cash Debt actually incurred - - £.	16,179,889

East India House,
2 April 1832.

(Errors excepted.)

James C. Melvill,
Aud^r Indian Acc^ts.

—No. 7. (A.)—

A SUMMARY VIEW of the CASH TRANSACTIONS of the Government of *Bengal*, from 1814–15 to 1828–29, inclusive.

— No. 7. (A.) —

A SUMMARY VIEW of the CASH TRANSACTIONS of the GOVERNMENT

—	1814-15.	1815-16.	1816-17.	1817-18.	1818-19.	1819-20.
	£.	£.	£.	£.	£.	£.
BALANCE at the commencement of each official year - - - - - - - - -	2,245,210	2,785,144	3,005,136	4,162,437	2,697,858	3,648,062
Add:						
The Amount of Revenues realized in each year, per Budget Account No. 1. - -	11,089,823	11,243,273	11,789,511	11,621,514	12,370,370	12,187,570
Extraordinary Receipts in excess of Extraordinary Charges, which were omitted in Budget Account No. 1. - - - -	36,875	- - -	- - -	- - -	- - -	- - -
Supplies from London (exclusive of Political Stores included in Home Charges) in excess of supplies thereto - - - - -	- - -	- - -	706,888	10,153	- - -	46,271
Supplies from Madras and Bombay, in excess of supplies thereto - - - - -	—	—	—	—	—	—
Supplies from the Commercial Department, including Canton, in excess of supplies thereto - - - - - - - -	- - -	- - -	- - -	- - -	16,447	- - -
Debt incurred, in excess of Debt discharged	983,770	1,350,061	385,653	396,529	1,719,678	3,370,141
TOTAL RECEIPTS in each year, combined with the Balance at the commencement of each year - - - - - - -	14,355,678	15,378,478	15,887,188	16,190,633	16,804,353	19,252,044
Deduct:						
Amount of the Territorial Charges incurred in each year, per Budget Account No. 1, which excludes the value of Political Stores charged in the Home Account - - -	7,3, 005	7,854,681	8,025,980	8,483,924	9,087,377	8,950,160
Extraordinary Charges in excess of extraordinary Receipts which were omitted in the Budget Account No. 1. - - - -	- - -	2,286	5,591	38,218	29,058	31,160
Interest on Debt, not included in No. 1, but stated in the combined view of the Revenues and Charges of India, in Budget Account No. 8. - - - - - - -	1,392,776	1,458,145	1,587,655	1,611,642	1,531,475	1,808,764
Supplies to London, in excess of supplies therefrom - - - - - - -	410,980	280,166	- - -	- - -	262,528	- - -
Ditto to Madras and Bombay, in excess of supplies therefrom - - - - -	1,323,577	1,407,859	1,135,338	2,156,285	2,054,224	1,753,834
Ditto to Subordinate Settlements (including St. Helena) in excess of supplies therefrom	172,828	177,449	147,352	206,801	191,629	169,461
Ditto to Commercial Department (including Canton) in excess of supplies therefrom -	897,368	1,192,756	822,835	995,905	- - -	1,555,717
Debt paid off, in excess of Debt incurred -	- - -	- - -	- - -	- - -	- - -	- - -
TOTAL PAYMENTS - - -	11,570,534	12,373,342	11,724,751	13,492,775	13,156,291	14,269,096
BALANCE remaining at the close of each official year - - - £.	2,785,144	3,005,136	4,162,437	2,697,858	3,648,062	4,982,948

East India House
2 April 1832.

— No. 7. (A.) —

of *Bengal*, from 1814–15, to 1828–29, inclusive.

1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	GRAND TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
4,982,948	6,749,870	7,016,907	7,292,272	4,075,501	2,619,391	3,375,480	2,743,048	3,772,683	Balance 1 May 1814. 2,245,210
13,487,218	13,340,503	14,163,278	12,950,308	13,479,192	13,119,658	14,757,089	14,921,983	14,784,870	195,306,160
- - -	20,561	- - -	- - -	5,548	1,624	10,149	22,730	5,109	102,596
836,002	- - -	1,374,757	- - -	987,614	512,323	411,630	145,788	738,613	5,770,039
—	—	—	—	—	—	—	—	—	—
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	16,447
- - -	177,901	- - -	- - -	182,787	4,947,348	1,685,056	4,589,673	- - -	19,788,597
19,306,168	20,288,835	22,554,942	20,242,580	18,730,642	21,200,344	20,239,404	22,423,222	19,301,275	223,229,049
8,750,757	8,540,182	8,746,042	9,445,538	11,394,496	12,634,516	11,891,536	11,774,626	10,149,617	143,102,437
147,538	- - -	47,209	1,282	- - -	- - -	- - -	- - -	- - -	302,342
1,758,394	1,816,030	1,517,532	1,465,890	1,225,683	1,338,983	1,513,616	1,712,253	1,890,605	23,629,443
- - -	773,198	- - -	82,304	- - -	- - -	- - -	- - -	- - -	1,809,176
42,126	461,066	2,066,002	175,353	993,122	1,710,820	1,762,590	2,435,529	1,149,158	20,626,883
151,434	192,843	265,608	172,789	254,353	75,163	111,323	138,020	147,500	2,574,553
1,524,646	1,488,609	1,745,206	1,955,180	2,243,597	2,065,382	2,217,291	2,590,111	2,597,018	23,891,621
181,403	- - -	875,071	2,868,743	- - -	- - -	- - -	- - -	221,085	4,146,302
12,556,298	13,271,928	15,262,670	16,167,079	16,111,251	17,824,864	17,496,356	18,650,539	16,154,983	220,082,757
6,749,870	7,016,907	7,292,272	4,075,501	2,619,391	3,375,480	2,743,048	3,772,683	3,146,292	3,146,292

(Errors excepted.)

(signed) *James C. Melvill,*
Aud^r Indian Acc^ts.

No. 7. (A.)—*continued.*

A SUMMARY of the CASH TRANSACTIONS of *Bengal* and its Subordinates, from the Year 1814-15 to 1828-29, including Supplies made to and received from other Presidencies, &c.

		S.Rs.	S.Rs.
BY CASH BALANCES remaining in the Treasuries of the several Departments on the 30th April 1814 - - - - - - - - - - - - - - - - - -		- - -	1,93,55,256
1814-15:			
Amount of Territorial Revenues realized in this year, according to Budget Account No. 1, annually presented to Parliament, Ct. Rs. 11,08,98,235, or - - - - - - -		9,56,01,927	
Further Amount of Revenue, chiefly of an extraordinary nature, not included in the above view		12,73,060	
TOTAL REVENUES - - -		9,68,74,987	
Amount of Territorial Charges incurred in this year, according to Budget Account No. 1, annually presented to Parliament, Ct. Rs. 7,37,30,047, or	S.Rs. 6,35,60,385		
Further Charges omitted in the above view - - - - - - - -	9,55,177		
Interest on Debt not included in No. 1, but stated in the combined view of the Revenues and Charges of India, in Budget No. 8. - - - - - -	1,20,06,691		
TOTAL CHARGES - - -		7,65,22,253	
Surplus - - -		2,03,52,734	

SUPPLIES:

	S.Rs.		S.Rs.		S.Rs.
From London, including transactions on account His Majesty's Government - - -	S.Rs. 43,72,388			To London, including transactions on account His Majesty's Government - -	75,41,776
Deduct for sale of Stores credited as a Receipt - - -	3,73,542			To Madras - -	S.Rs. 84,54,403
		39,98,846		Deduct advances on account of His Majesty's Government, included above - -	1,39,953
From Madras - - -		32,16,177			83,14,450
From Bombay - - -		11,51,680		To Bombay - - - -	74,63,602
From Subordinate Settlements		1,94,877		To Subordinate Settlements -	16,84,722
From Commercial Department		34,37,182		To Commercial Department -	1,11,73,117
		1,19,98,762			
Excess of Supplies rendered -		2,41,78,905			
S.Rs.		3,61,77,667		S.Rs.	3,61,77,667

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments - - -	3,59,14,449	Debt paid off in the several Departments - - -	2,74,33,675
		Excess of Debt incurred -	84,80,774
S.Rs.	3,59,14,449	S.Rs.	3,59,14,449

Excess of Supplies rendered, as above - - - - - -	2,41,78,905	
Deduct, Excess of Debt incurred - - - - - - -	84,80,774	
Deduct Supplies, &c. rendered, from the Surplus Revenue - - -	1,56,98,131	
		46,54,603
BALANCE remaining on the 30th April 1815 - - - S.Rs.		2,40,09,859

	S. Rs.	S. Rs.
BY BALANCE remaining on the 30th April 1815 - - - - - - - - -		2,40,09,859
1815–1816:		
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account No. 1 presented to Parliament, Ct. Rs. 11,24,32,728, or - - - - - - - -	9,69,24,766	
Further Amount of Revenues included in Account No. 1. - - - - - - -	14,87,303	
TOTAL REVENUES - - -	9,84,12,069	
Amount of Territorial Charges incurred in this year, per Annual Parliamentary Account No. 1, Ct. Rs. 7,85,46,812, or - - - - - - - - S. Rs. 6,77,12,769		
Further Charges, omitted in No. 1. - - - - - - - - - 15,07,009		
Interest on Debt, not included in No. 1, but stated in No. 8. - - - - 1,25,70,213		
TOTAL CHARGES - - -	8,17,89,991	
Surplus - - -	1,66,22,078	

SUPPLIES:

	S. Rs.	S. Rs.		S. Rs.	S. Rs.
From London, including transactions on account of His Majesty's Government -	24,09,030		To London, including transactions on account of His Majesty's Government - -	45,18,133	
Deduct sale of Stores, credited as Extraordinary Revenue	3,06,122	21,02,908	To Madras - 94,86,116 Deduct Naval Advances, included above - - 1,12,708	93,73,408	
From Madras -	24,80,611		To Bombay - 65,15,947		
Add, Commercial consignment -	2,30,138	27,10,749	To Subordinate Settlements - - 17,23,753		
From Bombay - - -		10,41,888	To Commercial Department, including Canton - 1,39,24,854		
From Subordinate Settlements		1,94,019	Add, consignment to Madras - 2,30,138		
From Commercial Department		38,72,613			
		99,22,177			
Excess of Supplies rendered		2,63,64,056		1,41,54,992	
S. Rs.		3,62,86,233	S. Rs.	3,62,86,233	

DEBT TRANSACTIONS:

	S. Rs.		S. Rs.
Debt incurred in the several Departments - - -	3,20,16,376	Debt paid off in the several Departments - - -	2,03,77,908
		Excess of Debt incurred -	1,16,38,468
S. Rs.	3,20,16,376	S. Rs.	3,20,16,376

Excess of Supplies, as shown above - - - - - - 2,63,64,056		
Deduct, Excess of Debt incurred - - - - - - - 1,16,38,468		
Deduct Supplies, &c. rendered, from the Surplus Revenue - - -	1,47,25,588	
		18,96,490
BALANCE remaining on the 30th April 1816 - - - S. Rs.		2,59,06,349

(*continued*)

	S.Rs.	S.Rs.
BY BALANCE remaining on the 30th April 1816 - - - - - - - -	- - -	2,59,06,349
1816-17:		
Amount of Territorial Revenues realized in this year, according to Annual Budget Account No. 1, presented to Parliament, Ct. Rs. 11,78,95,107, or - - - - - - -	10,16,33,713	
Further Amount of Revenues not included in Account No. 1. - - - - - - -	15,32,310	
TOTAL REVENUES - - -	10,31,66,023	
Amount of Territorial Charges incurred in this year per Annual Parliamentary Account No. 1, Ct. Rs. 8,02,59,798, or - - - - - - - - S.Rs. 6,91,89,481		
Further Charges omitted in No. 1. - - - - - - - - - 15,80,512		
Interest on Debt not included in No. 1, but stated in No. 8. - - - - 1,36,86,680		
TOTAL CHARGES - - -	8,44,56,673	
Surplus - - -	1,87,09,350	

SUPPLIES:

		S.Rs.			S.Rs.
From London, including transactions on account of His Majesty's Government -	S.Rs. 1,43,44,590		To London, including transactions on account of His Majesty's Government -		81,68,419
			To Madras -	1,01,08,828	
Deduct, Sale of stores credited as Extraordinary Revenue -	82,304		Deduct Naval Advances included above - -	42,601	
		1,42,62,286			1,00,66,227
			To Bombay - - -		59,84,297
From Madras - - -		50,74,433	To Subordinates - - -		15,61,090
From Bombay - - -		11,88,692	To Commercial Department, including Canton - -		1,17,34,616
From Subordinate Settlements		2,90,817			
From Commercial Department		46,41,205			
		2,54,57,433			
Excess of Supplies rendered -		1,20,57,216			
S.Rs.		3,75,14,649	S.Rs.		3,75,14,649

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments - - -	2,92,47,222	Debt paid off in the several Departments - - -	2,59,22,631
		Excess of Debt incurred -	33,24,591
S.Rs.	2,92,47,222	S.Rs.	2,92,47,222

Excess of Supplies rendered, as shown above - - - - 1,20,57,216		
Deduct, Excess of Debt incurred - - - - - - 33,24,591		
Deduct Supplies, &c. rendered from the Surplus Revenue - - -	87,32,625	
		99,76,725
BALANCE remaining on 30th April 1817 - - - S.Rs.		3,58,83,074

							S. Rs.
BY BALANCE remaining on the 30th April 1817 - - - - - - - - - - -							3,58,83,074
1817–1818:						S. Rs.	
Amount of Territorial Revenues realized in this year, according to Annual Budget Account No. 1, presented to Parliament, *Ct. Rs.* 11,62,15,136, or - - - - - - - -						10,01,85,462	
Further Amount of Revenues not included in Account No. 1, - - - - - - -						12,76,194	
TOTAL REVENUES - - -						10,14,61,656	
Amount of Territorial Charges incurred in this year, per Budget Account No. 1, *Ct. Rs.* 8,48,39,239, or - - - - - - - - -				S. Rs. 7,31,37,275			
Further Charges omitted in No. 1. - - - - - - - - - -				16,05,657			
Interest on Debts not included in No. 1, but inserted in No. 8. - - - -				1,38,93,467			
TOTAL CHARGES - - -						8,86,36,399	
Surplus - - -						1,28,25,257	
SUPPLIES:							
		S. Rs.			S. Rs.		
From London, including transactions on account of His Majesty's Government -	S. Rs. 41,07,133		To London, including transactions on account of His Majesty's Government -	S. Rs. 38,19,477			
Deduct Sale of Stores, credited as Extraordinary Revenue	1,99,719		Add, Adjustment on account of a supply to Port Jackson - -	407			
		39,07,414			38,19,884		
From Madras -	40,13,614		To Madras - - - -		1,32,27,575		
Add, Consignment from Commerce	2,07,393		To Bombay - - -		1,09,64,652		
		42,21,007	To Subordinate Settlements - -	21,22,120			
From Bombay - - -		13,82,560	Deduct adjustment on account London - - -	407			
From Subordinate Settlements		3,38,945			21,21,713		
From Commercial Department		47,34,163	To Commercial Department, including Canton	1,31,12,162			
		1,45,84,089	Add, Consignment to Madras - -	2,07,393			
Excess of Supplies rendered -		2,88,69,290			1,33,19,555		
	S. Rs.	4,34,53,379		S. Rs.	4,34,53,379		
DEBT TRANSACTIONS:							
		S. Rs.			S. Rs.		
Debt incurred in the several Departments - - -		2,36,87,124	Debt paid off in the several Departments - - -		2,02,68,768		
			Excess of Debt incurred -		34,18,356		
	S. Rs.	2,36,87,124		S. Rs.	2,36,87,124		
Excess of Supplies rendered, as shown above - - - -					2,88,69,290		
Deduct, Excess of Debt incurred - - - - - - -					34,18,356		
Supplies, &c., rendered in excess of the Surplus Revenue - - -						2,54,50,934	
							1,26,25,677
BALANCE remaining on the 30th April 1818 - - - S. Rs.							2,32,57,397

	S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1818 - - - - - - - - - - -		2,32,57,397
1818–19:		
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 12,37,03,696, or - - - - - - - -	10,66,41,117	
Further amount of Revenues not included in Account, No. 1 - - - - - - -	2,50,912	
TOTAL REVENUES - - -	10,68,92,029	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 1, *Ct.Rs.* 9,08,73,767, or - - - - - - - - - - - S.Rs. 7,83,39,454		
Further Charges, omitted in No. 1. - - - - - - - - - - 5,01,408		
Interest on Debts, not included in No. 1, but inserted in No. 8. - - - 1,32,02,369		
TOTAL CHARGES - - -	9,20,43,231	
Surplus - - -	1,48,48,798	

SUPPLIES:

	S.Rs.	S.Rs.		S.Rs.
From London, including transactions on account His Majesty's Government	35,77,109		To London, including transactions on account His Majesty's Government - -	57,67,300
Deduct, Sale of Stores, credited as Extraordinary Revenue -	72,986	35,04,123	To Madras - - - -	1,18,11,699
			To Bombay - - -	1,15,44,650
From Madras - -	41,65,788		To Subordinate Settlements -	19,41,008
Add, Consignment from Commerce -	20,343	41,86,131	To Commercial Department, including Canton	S.Rs. 1,00,38,532
From Bombay - - -		14,61,385		
From Subordinate Settlements -		2,89,036	Add, Consignment to Madras -	20,343
From Commercial Department, including Canton - - -		1,02,00,659		1,00,58,875
		1,96,41,334		
Excess of Supplies rendered -		2,14,82,198		
S.Rs.		4,11,23,532	S.Rs.	4,11,23,532

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments - - -	4,00,39,543	Debt paid off in the several Departments - - -	2,52,14,732
		Excess of Debt incurred -	1,48,24,811
S.Rs.	4,00,39,543	S.Rs.	4,00,39,543

Excess of Supplies rendered, as shown above - - - - 2,14,82,198		
Deduct, Excess of Debt incurred - - - - - - 1,48,24,811		
Deduct, Excess of Supplies, &c. rendered from the Surplus Revenue - - -	66,57,387	
		81,91,411
BALANCE remaining on the 30th April 1819 - - - S.Rs.		3,14,48,808

	S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1819 - - - - - - - - -	- - -	3,14,48,808
1819–20:		
Amount of Territorial Revenue realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 12,18,75,701, or - - - - - - - -	10,50,65,260	
Further amount of Revenues not included in Account, No. 1. - - - - - - -	3,15,949	
TOTAL REVENUES - - -	10,53,81,209	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 1, *Ct.Rs.* 8,95,01,601, or - - - - - - - - - - *S.Rs.* 7,71,56,553		
Further Charges, omitted in No. 1. - - - - - - - - - 5,84,579		
Interest on Debt, not included in No. 1, but inserted in No. 8. - - - 1,55,92,791		
TOTAL CHARGES - - -	9,33,33,914	
Surplus - - -	1,20,47,295	

SUPPLIES:

	S.Rs.	S.Rs.		S.Rs.
From London, including transactions on account His Majesty's Government	45,75,599		To London, including transactions on account His Majesty's Government - -	39,94,389
Deduct, Sale of Stores, credited as Extraordinary Revenue -	1,82,322		To Madras - - - -	1,28,49,135
		43,93,277	To Bombay - - -	1,02,68,418
From Madras - - - -		67,04,686	To Subordinates - - -	18,49,753
From Bombay - - -		12,93,604	To Commercial Department, including Canton - -	1,68,80,214
From Subordinate Settlements -		3,88,886		
From Commercial Department -		34,68,861		
		1,62,49,314		
Excess of Supplies rendered -		2,95,92,595		
	S.Rs.	4,58,41,909	S.Rs.	4,58,41,909

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments - - -	6,02,48,075	Debt paid off in the several Departments - - -	3,11,95,135
		Excess of Debt incurred -	2,90,52,940
S.Rs.	6,02,48,075	S.Rs.	6,02,48,075

Excess of Supplies rendered, as shown above - - - - 2,95,92,595		
Deduct, Excess of Debt incurred - - - - - - 2,90,52,940		
Deduct, Excess of Supplies, &c. rendered from the Surplus Revenue - - -	5,39,655	
		1,15,07,640
BALANCE remaining on the 30th April 1820 - - -	S.Rs.	4,29,56,448

(*continued*)

	S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1820 - - - - - - - - -		4,29,56,448
1820–21:		
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 13,48,72,180, or - - - - - - - -	11,62,69,121	
Further amount of Revenues, not included in Account, No. 1 - - - - - - -	2,73,706	
TOTAL REVENUES - - -	11,65,42,827	
Amount of Territorial Charges incurred in this year, according to Budget Account, No. 1, *Ct.Rs.* 8,75,07,569, or - - - - - - - 7,54,37,560		
Further Charges, omitted in No. 1 - - - - - - - - - 15,45,584		
Interest on Debt, not included in No. 1, but inserted in No. 8 - - - - 1,51,58,566		
TOTAL CHARGES - - -	9,21,41,710	
Surplus - - -	2,44,01,117	

SUPPLIES:

	S.Rs.	S.Rs.		S.Rs.
From London, including transactions on account His Majesty's Government - - - -	1,18,85,290		To London, including transactions on account His Majesty's Government - -	28,89,766
Deduct, Sale of Stores credited as Extraordinary Revenue - 1,96,152				
Also, Bullion transferred to Debt Account - - - 15,92,457	17,88,609		To Madras -	38,28,991
		1,00,96,681	To Bombay -	35,26,918
From Madras - - - - - -		56,17,542		
From Bombay - - - - - -		13,75,214	To Subordinates	17,48,960
From Subordinates - - - - -		4,43,494		
From Commerce - - - - - -		30,62,082	To Commerce, including Canton	1,62,05,586
		2,05,95,013		
Excess of Supplies rendered - - - -		76,05,208		
	S.Rs.	2,82,00,221	S.Rs.	2,82,00,221

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments - - -	2,49,15,290	Debt paid off in the several Departments - - -	2,80,71,570
Add, adjustment with London for Bullion, transferred to this Head - - - -	15,92,457		
	2,65,07,747		
Excess of Debt paid off - -	15,63,823		
S.Rs.	2,80,71,570	S.Rs.	2,80,71,570

Excess of Supplies rendered, as shown above - - -	76,05,208	
Add, Excess of Debt paid off - - - - - - -	15,63,823	
Deduct, Excess of Supplies, &c. rendered from the Surplus Revenue - - -	91,69,031	
		1,52,32,086
BALANCE remaining on the 30th April 1821 - - - S.Rs.		5,81,88,534

	S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1821 - - - - - - - - - -	- - -	5,81,88,534
1821–22:		
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 13,34,05,024 - - - - - - - -	11,50,04,331	
Further amount of Revenues, not included in Account No. 1 - - - - - - -	1,78,958	
TOTAL REVENUES - - -	11,51,83,289	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 1, *Ct.Rs.* 8,54,01,821 - - - - - - - - - - - - - - *S.Rs.* 7,36,22,259		
Further Charges, omitted in No. 1 - - - - - - - - - - - 1,700		
Interest on Debts, not included in No. 1, but inserted in No. 8 - - - 1,56,55,431		
TOTAL CHARGES - - -	8,92,79,390	
Surplus - - -	2,59,03,899	

SUPPLIES:

	S.Rs.	S.Rs.		S.Rs.	S.Rs.
From London, including transactions on account His Majesty's Government -	1,31,34,205		To London, including transactions on account His Majesty's Government -	1,96,90,528	
Deduct, Sale of Stores credited as Extraordinary Revenue -	1,20,937	1,30,13,268	Deduct, Expense of Detachment serving in Persia, included in Bombay Charges -	11,765	1,96,78,763
From Madras -		3,92,96,552	To Madras -		3,85,94,910
From Bombay	1,61,75,593		To Bombay -		2,08,40,183
Deduct, Charges of Detachment serving in Persia, included in Bombay Charges -	11,765	1,61,63,828	To Subordinates -		20,76,100
From Subordinates -		4,13,661	To Commerce, including Canton -		1,67,34,777
From Commerce -		39,01,938			
		7,27,89,247			
Excess of Supplies rendered -		2,51,35,486			
	S.Rs.	9,79,24,733		S.Rs.	9,79,24,733

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments -	20,90,46,703	Debt paid off in the several Departments -	20,75,13,069
		Excess of Debt incurred -	15,33,634
S.Rs.	20,90,46,703	S.Rs.	20,90,46,703

Excess of Supplies rendered, as shown above - - - - 2,51,35,486		
Deduct, Excess of Debt incurred - - - - - - 15,33,634		
Deduct, Excess of Supplies, &c. rendered from the Surplus Revenue - - -	2,36,01,852	
		23,02,047
BALANCE remaining on the 30th April 1822 - - - S.Rs.		6,04,90,581

			S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1822 - - - - - - - - -			- - -	6,04,90,581
1822-23:				
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 14,16,32,775, or - - - - - - - -			12,20,97,220	
Further amount of Revenues, being for the sale of Stores, &c. not included in Account, No. 1			55,297	
TOTAL REVENUES - - -			12,21,52,517	
Amount of Territorial Charges incurred in this year, per Budget Account, No 1, *Ct.Rs.* 8,74,60,421, or - - - - - - - - - -		7,53,96,915		
Further Charges, omitted in No. 1 - - - - - - - - - - -		4,62,272		
Interest on Debt, not included in No. 1, but inserted in No. 8 - - - -		1,30,82,167		
TOTAL CHARGES - - -			8,89,41,354	
Surplus - - -			3,32,11,163	

SUPPLIES:

		S.Rs.			S.Rs.
From London, including transactions on account of His Majesty's Government - -		2,78,73,945	To London, including transactions on account of His Majesty's Government	1,46,61,201	
Deduct, Value of Political Stores, included in Home Charges - -	13,11,051		Deduct, Expense of Detachment employed in Persia, now included in Bombay Charges	4,960	
Also, for sale of Stores credited as Extraordinary Revenue - -	55,297				1,46,56,241
		13,66,348			
		2,65,07,597			
From Madras - - - -		1,49,15,433	To Madras - - - -		1,89,93,661
From Bombay - -	14,74,047		To Bombay - - - -		1,52,01,220
Deduct, Expense of Detachment in Persia - -	4,960				
		14,69,087			
From Subordinates - - -		4,41,535	To Subordinates - - -		27,31,262
From Commerce - - -		32,36,786	To Commerce, including Canton		1,82,81,668
		4,65,70,438			
Excess of Supplies rendered -		2,32,93,614			
S.Rs.		6,98,64,052	S.Rs.		6,98,64,052

DEBT TRANSACTIONS:

		S.Rs.			S.Rs.
Debt incurred in the several Departments - - -		7,31,01,488	Debt paid off in the several Departments - - -		8,06,45,204
Excess of Debt paid off - -		75,43,716			
S.Rs.		8,06,45,204	S.Rs.		8,06,45,204

Excess of Supplies rendered, as shown above - - -	2,32,93,614	
Add, Excess of Debt paid off - - - - - - -	75,43,716	
Deduct, Supplies, &c. rendered from the Surplus Revenue - - -	3,08,37,330	23,73,833
BALANCE remaining on the 30th April 1823 - - - S.Rs.		6,28,64,414

				S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1823 - - - - - - - - - - -					6,28,64,414
1823–24:					
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 12,95,03,084, or - - - - - - - -				11,16,40,590	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 1, *Ct.Rs.* 9,44,55,385, or - - - - - - - - - - - -			S.Rs. 8,14,27,056		
Further Charges, omitted in No. 1 - - - - - - - - - -			11,046		
Interest on Debts not included in No. 1, but inserted in No. 8 - - - -			1,26,36,985		
TOTAL CHARGES - - -				9,40,75,087	
Surplus - - -				1,75,65,503	
SUPPLIES:					
From London, including transactions on account of His Majesty's Government - -	S.Rs. 80,36,191	To London, including transactions on account of His Majesty's Government - -	S.Rs. 71,19,067		
Deduct, Political Stores, included in Home Charges -	16,26,642				
	64,09,549				
From Madras - - 49,92,817		To Madras - - 59,51,462			
Add, Consignment from Commercial Department - 45,768		Add, Consignment to Commerce - 11,266			
	50,38,585		59,62,728		
From Bombay - - 56,79,610		To Bombay - - - -	62,98,518		
Add, Consignment from Commercial Department - 31,386					
	57,10,996				
From Subordinates - - -	4,77,224	To Subordinates - - -	19,66,787		
From Commerce - 29,31,884		To Commerce, including Canton - 1,97,20,995			
Add, Consignment from Madras - 11,266		Add, Consignment to Madras - 45,768			
	29,43,150	Ditto - to Bombay 31,386			
	2,05,79,504		1,97,98,149		
Excess of Supplies rendered -	2,05,65,745				
S.Rs.	4,11,45,249	S.Rs.	4,11,45,249		
DEBT TRANSACTIONS:					
Debt incurred in the several Departments - - -	S.Rs. 14,42,15,447	Debt paid off in the several Departments - - -	S.Rs. 16,89,45,989		
Excess of Debt paid off - -	2,47,30,542				
S.Rs.	16,89,45,989	S.Rs.	16,89,45,989		
Excess of Supplies rendered, as shown above - - -			2,05,65,745		
Add, Excess of Debt paid off - - - - - -			2,47,30,542		
				4,52,96,287	
Supplies, &c. rendered in Excess of the Surplus Revenue - - - -					2,77,30,784
BALANCE remaining on the 30th April 1824 - - -				S.Rs.	3,51,33,630

(*continued*)

	S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1824 - - - - - - - - -	- - -	3,51,33,630
1824–25:		
Annual Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 13,47,91,925, or - - - - -	11,61,99,935	
Further Amount of Revenues, including sale of Europe Stores, omitted in Account No. 1 -	47,826	
TOTAL REVENUES - - -	11,62,47,761	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 1, *Ct.Rs.* 11,39,44,963, or - - - - - - - - - - - - S.Rs. 9,82,28,416		
Interest on Debts not included in No. 1, but inserted in No. 8 - - - - 1,05,66,230		
TOTAL CHARGES - - -	10,87,94,646	
Surplus - - -	74,53,115	

SUPPLIES:

		S.Rs.			S.Rs.
From London, including transactions on account of His Majesty's Government - -		1,29,17,020	To London, including transactions on account of His Majesty's Government	24,13,422	
Deduct, Political Stores included in Home Charges - -		20,41,473	Deduct, Expense of Persian Detachment, included in Bombay Charges - -	51,795	
		1,08,75,547			23,61,627
From Madras - -	S.Rs. 52,64,308		To Madras - -	91,53,188	
Add, Consignment from Commercial Department -	8,747		Add, Consignment to Commerce - -	41,724	
		52,73,055			91,94,912
From Bombay - -	42,89,824		To Bombay - - - -		88,77,583
Deduct, Expense of Detachment in Persia - - -	51,795		To Subordinates - - -		28,12,142
		42,38,029			
From Subordinates - - -		6,19,443			
From Commerce -	21,82,765		To Commerce, including Canton	2,15,57,094	
Add, Consignment from Madras -	41,724		Add, Consignment to Madras - -	8,747	
		22,24,489			2,15,65,841
		2,32,30,563			
Excess of Supplies rendered -		2,15,81,542			
	S.Rs.	4,48,12,105		S.Rs.	4,48,12,105

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments - - -	4,49,19,920	Debt paid off in the several Departments - - -	4,33,44,169
		Excess of Debt incurred - -	15,75,751
S.Rs.	4,49,19,920	S.Rs.	4,49,19,920

Excess of Supplies rendered, as shown above - - - - -	2,15,81,542	
Deduct, Excess of Debt incurred - - - - - - -	15,75,751	
	2,00,05,791	
Supplies, &c. rendered in Excess of the Surplus Revenue - - - -		1,25,52,676
BALANCE remaining on 30th April 1825 - - - S.Rs.		2,25,80,954

	S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1825 - - - - - - - - - - -		2,25,80,954
1825-26:		
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct. Rs.* 13,11,96,581, or - - - - - - - -	11,31,00,501	
Further amount of Revenues, including sale of Stores, not included in Account No. 1 - -	13,998	
TOTAL REVENUES - - -	11,31,14,499	
Amount of Territorial Charges incurred in this year, per Budget Account No. 1, *Ct.Rs.* 12,63,45,165, or - - - - - - - - - - - - S.Rs. 10,89,18,246		
Interest on Debts, not included in No. 1, but inserted in No. 8 - - - 1,15,42,954		
TOTAL CHARGES - - -	12,04,61,200	
Deficit - - -	73,46,701	

SUPPLIES:

		S.Rs.			S.Rs.
From London, including transactions on account of His Majesty's Government - -		85,79,223	To London, including transactions on account of His Majesty's Government	8,98,429	
Deduct, the value of Political Stores, included in Home Charges - - - -		32,77,708	Deduct, Expense of Persian Detachment, included in Bombay Charges - -	13,490	
		53,01,515			8,84,939
From Madras - -	S.Rs. 1,10,76,369		To Madras -	1,45,60,585	
Add, Consignment from Commerce -	2,534		Add, Consignment to Commerce - -	18,117	
		1,10,78,103			1,45,78,702
From Bombay -	19,34,207		To Bombay - - - -		1,31,69,358
Deduct, Expense of Persian Detachment - -	13,490		To Subordinates - - -		14,47,444
		19,20,717			
From Subordinates - - -		7,99,485	To Commerce -	1,84,57,053	
From Commerce -	6,36,450		Add, Consignment to Madras - -	2,534	
Add, Consignment from Madras -	18,117				
		6,54,567			1,84,59,587
		1,97,55,187			
Excess of Supplies rendered -		2,87,84,843			
	S.Rs.	4,85,40,030		S.Rs.	4,85,40,030

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments - - -	9,72,91,311	Debt paid off in the several Departments - - -	5,46,41,758
		Excess of Debt incurred - -	4,26,49,553
S.Rs.	9,72,91,311	S.Rs.	9,72,91,311

Excess of Debt incurred - - - - - - - -	4,26,49,553	
Deduct, Excess of Supplies, &c. rendered, as shown above -	2,87,84,843	
Means to meet the Deficit - - - - - - - -	1,38,64,710	
Means in Excess of Deficit - - - - - - - - -		65,18,009
BALANCE remaining on 30th April 1826 - - - S.Rs.		2,90,98,963

				S.Rs.	S.Rs.
BY BALANCE remaining on 30th April 1826 - - - - - - - - -				- - -	2,90,98,960
1826–27:					
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 14,75,70,888, or - - - - - - - -				12,72,16,283	
Further amount of Revenues, including sale of Stores, omitted in Account, No. 1 - -				87,495	
TOTAL REVENUES - - -				12,73,03,778	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 1, *Ct.Rs.* 11,89,15,357, or - - - - - - - - - - -			S.Rs. 10,25,13,239		
Interest on Debts, not included in No. 1, but inserted in No. 8 - - -			1,30,48,410		
TOTAL CHARGES - - -				11,55,61,649	
Surplus - - -				1,17,42,129	
SUPPLIES:					
From London, including transactions on account of His Majesty's Government - -		S.Rs. 1,23,37,848	To London, including transactions on account of His Majesty's Government - -		S.Rs. 22,95,113
Deduct, the value of Political Stores, included in Home Charges - - - -		65,31,598	Deduct, expense of Detachment in Persia, included in Bombay Charges - -		37,401
		58,06,250			22,57,712
From Madras - - - -		40,97,013			
From Bombay -	25,66,744		To Madras - - - -		1,08,22,494
Deduct, expense of Detachment in Persia - -	37,401		To Bombay - - - -		1,09,98,605
		25,29,343	To Subordinates - - -		15,15,802
From Subordinates - - -		5,56,118	To Commerce - - -		2,02,04,759
From Commerce - - -		10,90,179			
		1,40,78,903			
Excess of Supplies rendered -		3,17,20,469			
	S.Rs.	4,57,99,372	S.Rs.		4,57,99,372
DEBT TRANSACTIONS:					
Debt incurred in the several Departments - - -		S.Rs. 5,15,30,073	Debt paid off in the several Departments - - -		S.Rs. 3,70,03,733
			Excess of Debt incurred -		1,45,26,340
	S.Rs.	5,15,30,073	S.Rs.		5,15,30,073
Excess of Supplies rendered, as shown above - - - - -					3,17,20,469
Deduct, Excess of Debt incurred - - - - - - -					1,45,26,340
				1,71,94,129	
Supplies, &c. rendered in Excess of the Surplus Revenue - - - -					54,52,000
BALANCE remaining on the 30th April 1827 - - -				S.Rs.	2,36,46,963

	S. Rs.	S.Rs.
BY BALANCE remaining on 30th April 1827 - - - - - - - - -	- - -	2,36,46,963
1827–28:		
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 14,92,19,826, or - - - - - - - -	12,86,37,781	
Further amount of Revenues, including sale of Stores, not included in Account, No. 1 - -	1,95,950	
TOTAL REVENUES - - -	12,88,33,731	
Amount of Territorial Charges incurred in this year, including *S.Rs.* 51,80,218 repaid on account "Deccan Booty," per Budget Account, No. 1, *Ct.Rs.* 11,77,46,257, or - - - - - - - - - - - - 10,15,05,394		
Interest on Debt, not included in No. 1, but inserted in No. 8 - - - 1,47,60,805		
TOTAL CHARGES - - -	11,62,66,199	
Surplus - - -	1,25,67,532	

SUPPLIES:

	S.Rs.		S.Rs.
From London, including transactions on account His Majesty's Government - - -	1,07,64,142	To London, including transactions on account His Majesty's Government - -	47,95,473
Deduct, value of Political Stores, included in Home Charges -	47,27,215	Deduct, expense of Persian Detachment, included in Bombay Charges - -	15,345
	60,36,927		47,80,128
From Madras - - - -	40,95,173	To Madras *S.Rs.* 94,36,974	
From Bombay *S.Rs.* 22,08,258		Ditto, on account Deccan Prize 5,45,835	99,82,809
Deduct, expense of Detachment in Persia - - 15,345	21,92,913	To Bombay - 1,66,61,969	
From Subordinates - - -	54,298	Ditto, on account Deccan Prize Fund - - 6,39,252	1,73,01,221
From Commerce - - -	6,48,258		
	1,30,27,569	To Subordinates - - -	12,44,122
Excess of Supplies rendered -	4,32,57,516	To Commerce - - -	2,29,76,805
S.Rs.	5,62,85,085	*S.Rs.*	5,62,85,085

DEBT TRANSACTIONS:

	S.Rs.		S.Rs.
Debt incurred in the several Departments - - -	7,18,14,370	Debt paid off in the several Departments - - -	3,47,57,035
Ditto, to meet the payment on account Deccan Prize, in this year, beyond the amount stated in the Bengal Accounts	26,75,938	Ditto, on account Deccan Prize - - - -	1,67,123
			3,49,24,158
		Excess of Debt incurred -	3,95,66,150
S.Rs.	7,44,90,308	*S.Rs.*	7,44,90,308

Excess of Supplies rendered, as shown above - - - -	4,32,57,516	
Deduct, Excess of Debt incurred - - - - - -	3,95,66,150	
Deduct, Excess of Supplies, &c. rendered from the Surplus Revenue - -	36,91,366	
		88,76,166
BALANCE remaining on the 30th April 1828 - - - *S.Rs.*		3,25,23,129

(*continued*)

	S.Rs.	S.Rs.
BALANCE remaining on 30th April 1828 - - - - - - - - - - - -		3,25,23,129
1828–29:		
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 1, presented to Parliament, *Ct.Rs.* 14,78,48,696, or - - - - - - - - -	12,74,55,772	
Further amount of Revenues, not included in Account No. 1 - - - - - - -	44,045	
TOTAL REVENUES - - -	12,74,99,817	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 1, *Ct.Rs.* 10,14,96,173, or - - - - - - - - - - *S.Rs.* 8,74,96,701		
Interest on Debts, not included in No. 1, but inserted in No. 8 - - - - - 1,62,98,319		
TOTAL CHARGES - - -	10,37,95,020	
Surplus Revenue - - -	2,37,04,797	

SUPPLIES:

From London, including transactions on account His Majesty's Government - -	S.Rs. 1,06,52,217	To London, including transactions on account His Majesty's Government -		S.Rs. 29,11,671	
Deduct, value of Political Stores, included in Home Charges -	34,43,073	Deduct, Sum improperly charged for Deccan Prize -	S.Rs. 20,50,328		
	72,09,144	Also, expense of Detachment in Persia, included in Bombay Charges - -	19,548	20,69,876	
From Madras - -	42,28,254			8,41,795	
– Bombay 23,76,530		To Madras - - -	78,77,332		
Deduct, expense of Detachment in Persia - 19,548		Deduct, value of Europe Stores improperly charged -	12,27,537	66,49,795	
	23,56,982	To Bombay - - -	1,08,96,102		
From Subordinates -	2,86,251	Deduct, value of Europe Stores improperly charged - - -	S.Rs. 7,09,305		
From Commerce -	8,71,218	Steamer Enterprize returned to Calcutta - -	3,44,828		
	1,49,51,849		10,54,133		
Excess of Supplies rendered - -	2,71,98,815			98,41,969	
		To Subordinates - - - - -		15,57,802	
		To Commerce - - - - -		2,32,59,303	
S.Rs.	4,21,50,664		S.Rs.	4,21,50,664	

DEBT TRANSACTIONS:

Debt incurred in the several Departments - - -	S.Rs. 4,57,53,854	Debt paid off in the several Departments - - -	S.Rs. 4,76,59,759
Excess of Debt paid off - -	19,05,905		
S.Rs.	4,76,59,759	S.Rs.	4,76,59,759

Excess of Supplies rendered, as shown above - - - - -	2,71,98,815	
Add, Excess of Debt discharged - - - - - - -	19,05,905	
		2,91,04,720
Supplies, &c. rendered in Excess of the Surplus Revenue - - - - -		53,99,923
BALANCE remaining on the 30th April 1829 - - - S.Rs.		2,71,23,206

—No. 7. (B.)—

A SUMMARY VIEW of the CASH TRANSACTIONS of the Government of *Madras*; from 1814-15 to 1828-29, inclusive.

— No. 7. (B.) —

A SUMMARY VIEW of the CASH TRANSACTIONS of the

	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.
	£.	£.	£.	£.	£.	£.
BALANCE at the commencement of each Official Year - - - - - - - - -	2,689,042	3,011,977	2,832,690	2,962,166	3,229,069	3,368,469
Add, the amount of Revenues realized in each year, per Budget Account, No. 3 - - -	5,322,164	5,106,107	5,360,220	5,381,307	5,361,432	5,407,004
Extraordinary Receipts in excess of Extraordinary Charges, which were omitted in the Budget Account, No. 3 - - - - - - -	40,695	132,663	160,044	37,870	71,502	10,989
Supplies from London, exclusive of Political Stores, included in Home Charges, in excess of Supplies thereto - - - - - - -	140,822	108,188	320,252	362,114	264,380	370,088
Supplies from Bengal and Bombay, in excess of Supplies thereto - - - - - - -	265,021	37,534	27,004	520,154	447,725	439,691
Supplies from Subordinate Settlements (including St. Helena) in excess of Supplies thereto -	- -	- -	437	- -	81,297	- -
Debt incurred in excess of Debt discharged -	81,169	119,167	19,310	167,808	97,742	234,461
Balance of unadjusted transactions between the several Departments, stated in detail in the Madras Accounts - - - - - -	- -	102,134	6,609	- -	311,846	- -
TOTAL RECEIPTS in each Year, combined with the Balance at the commencement of each Year - - £.	8,538,913	8,617,770	8,726,566	9,431,419	9,864,993	9,830,702
Deduct,						
Amount of the Territorial Charges incurred in each year, per Budget Account, No. 3, which excluded the value of Political Stores, charged in the Home Account - - - - - -	5,134,246	5,289,476	5,201,399	5,475,254	5,979,045	5,694,844
Extraordinary Charges in excess of Extraordinary Receipts, omitted in the Budget Account, No. 3 - - - - - - - - - -	- -	- -	- -	- -	- -	- -
Interest on Debt (not included in No. 3, but stated in the Combined View of the Revenues and Charges of India, in Budget Account, No. 8), adjusting, where required, the Sums due to the Carnatic Fund - - - - - -	95,862	104,591	101,198	98,432	98,877	141,558
Supplies to London, in excess of Supplies therefrom - - - - - - - - - -	- -	- -	- -	- -	- -	- -
Supplies to Bengal and Bombay in excess of Supplies therefrom - - - - - -	- -	- -	- -	- -	- -	- -
Supplies to subordinate Settlements (including St. Helena) in excess of Supplies therefrom -	453	902	- -	2,433	- -	8,115
Supplies to Commercial Department (including Canton) in excess of Supplies therefrom -	227,627	390,111	461,803	459,068	418,602	238,815
Debt paid off in excess of Debt incurred - -	- -	- -	- -	- -	- -	- -
Balance of unadjusted transactions between the several Departments, stated in detail in the Madras Accounts - - - - - -	68,748	- -	- -	167,163	- -	239,745
TOTAL PAYMENTS - - - £.	5,526,936	5,785,080	5,764,400	6,202,350	6,496,524	6,323,077
BALANCE remaining at the close of each Official Year - - - - £.	3,011,977	2,832,690	2,962,166	3,229,069	3,368,469	3,507,625

East India House,
2 April 1832.

— No. 7. (B.) —

Government of *Madras*; from 1814–15 to 1828–29, inclusive.

1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–39.	GRAND TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
3,507,625	3,081,657	3,159,885	3,993,095	2,815,206	3,363,476	3,046,700	2,580,550	2,360,577	Balance, 1 May 1814. 2,689,042
5,403,506	5,557,029	5,585,210	5,498,765	5,440,743	5,714,915	5,981,681	5,347,838	5,575,049	82,042,970
- -	9,513	10,785	- -	162,459	- -	11,810	- -	- -	648,330
474,771	430,797	301,471	- -	242,601	252,453	323,188	24,518	371,682	3,987,325
- -	- -	- -	305,838	274,348	- -	- -	813,374	- -	3,130,689
- -	- -	- -	- -	50	- -	- -	26,210	- -	107,994
40,449	204,239	493,033	55,101	493,042	- -	- -	112,444	100,509	2,218,474
59,122	- -	- -	- -	104,716	13,508	- -	11,054	- -	608,989
9,485,473	9,283,235	9,550,384	9,852,799	9,533,165	9,344,352	9,363,379	8,915,988	8,407,817	95,433,813
5,572,489	5,405,592	5,072,992	6,228,823	5,737,035	5,704,829	5,432,562	6,007,597	5,502,224	83,438,407
3,750	- -	- -	258	- -	139,501	- -	4,683	9,330	157,522
124,227	104,797	166,996	169,775	214,758	212,637	213,571	175,847	158,629	2,181,755
- -	- -	- -	331,950	- -	- -	- -	- -	- -	331,950
373,100	273,419	66,496	- -	- -	33,742	148,517	-	37,986	933,260
2,246	1,855	229	188	- -	7,998	65,199	- -	5,394	95,012
328,004	226,647	165,783	146,931	217,896	107,525	225,244	367,284	262,492	4,243,832
- -	- -	- -	- -	- -	91,420	653,109	- -	- -	744,529
- -	111,040	84,793	159,668	- -	- -	44,627	- -	23,171	898,955
6,403,816	6,123,350	5,557,289	7,037,593	6,169,689	6,297,652	6,782,829	6,555,411	5,999,226	93,025,222
3,081,657	3,159,885	3,993,095	2,815,206	3,363,476	3,046,700	2,580,550	2,360,577	2,408,591	2,408,591

(Errors excepted.)

(signed) *James C. Melvill,*
Audr Indn Accts.

No. 7. (B.)—*continued.*

A SUMMARY of the CASH TRANSACTIONS of *Madras* and its Subordinates, from the Year 1814–15 to 1828–29; including Supplies made to, and received from, other Presidencies, &c.

BY CASH BALANCES remaining in the Treasuries of the several Territorial Departments, on the 30th April 1814 - - - - - - - - - - - - - - - -				*Pagodas.* - - -	*Pagodas.* 67,22,605
1814–15:					
Amount of Territorial Revenues realized this year, according to Budget Account, No. 3, annually presented to Parliament - - - - - - - - - - - -				1,33,05,409	
Amount of Territorial Charges incurred in this year, according to Budget Account, No. 3, annually presented to Parliament - - - - - - - - *Ps.*			1,28,35,614		
Deduct, Amount over-stated in Budget-View, arising chiefly from the value of Europe Stores now included therein - - - - - - - - -			1,01,739		
			1,27,33,875		
Interest on Debt - - - - - - - - - - - *Ps.*		2,48,587			
Less, Amount overcharged on account Carnatic Fund - - -		8,932			
			2,39,655		
TOTAL CHARGES - - -				1,29,73,530	
Surplus - -				- - -	3,31,879
SUPPLIES:					
From London, including transactions on account His Majesty's Government - -	3,88,098	*Pagodas.*	To London, including transactions on account His Majesty's Government - -	*Pagodas.* 4,81,315	
Ditto, on Carnatic Fund	4,51,764	8,39,862	Add, amount of Adjustment, transferred from Bengal -	6,492	
					4,87,807
From Bengal - - - -		24,82,623			
From Bombay - - - -		1,02,700			
From Commercial Department - -	5,56,317		To Bengal - - - -	9,19,409	
Amount of Commercial Balance, 30 April 1814 -	1,26,709		Deduct, Adjustment transferred to London - - -	6,492	
Ditto, 30 April 1815	58,216		Ditto - Subordinates -	1,133	
				7,625	
					9,11,784
Add, the difference between the Balances at the two periods, being the amount disbursed from Commercial Balance - - -	68,493		To Bombay - - - - - -		10,10,986
	6,24,810		To Subordinates - - - - -		1,133
Deduct, the value of Europe Stores, supplied the Political Department, and included in Home Charges -	1,80,327		To Commercial Department - - -		10,13,550
					34,25,260
		4,44,483	Excess of Supplies received - - -		4,44,408
	Ps.	38,69,668		*Ps.*	38,69,668
DEBT TRANSACTIONS:					
Debt incurred in the several Departments - - - -		*Pagodas.* 8,93,452	Debt paid off in the several Departments - - - -	*Pagodas.* - - -	6,73,610
			Debt incurred on account of Carnatic Fund - - -	4,46,347	
			Debt discharged on account ditto in England -	4,51,764	
			Over-credited for Interest	8,932	
			Ditto, Moiety for Register's Salary -	2,571	
				4,63,267	
			Net Amount paid on account Carnatic Fund - - -		16,920
					6,90,530
			Excess of Debt incurred - - - -		2,02,922
	Ps.	8,93,452		*Ps.*	8,93,452
Excess of Supplies received, as shown above - - - - - - -					4,44,408
Ditto of Debt incurred ditto - - - - - - - - - -					2,02,922
					6,47,330
Deduct, Balance of unadjusted transactions between the several Officers in the different Departments, stated in detail in the Madras Accounts - - - - - - - -					1,71,871
					4,75,459
CASH BALANCE remaining on the 30th April 1815 - - - *Ps.*					75,29,943

			Pagodas.	Pagodas.
BY BALANCE remaining on 30th April 1815 - - - - - - - - - -			- - -	75,29,943
1815–16:				
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 3, presented to Parliament - - - - - - - - - - - -			1,27,65,268	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 3. *Ps.* 1,32,23,689				
Deduct, amount over-stated in ditto, by including Europe Stores - - - -		3,31,656		
		1,28,92,033		
Interest on Debt - - - - - - - - - - *Ps.* 2,92,107				
Less, amount over-stated on account Carnatic Fund - - - -	30,630			
		2,61,477		
TOTAL CHARGES - - -			1,31,53,510	
Deficit, to be deducted from Cash Balance - - -			- - -	3,88,242
BALANCE remaining - - -			- - -	71,41,701

SUPPLIES:

		Pagodas.			Pagodas.	
From London, including transactions on account His Majesty's Government - -	2,74,849		To London, including His Majesty's Government -		2,27,924	
Ditto, on account Carnatic Fund - - -	3,27,605		Add, Adjustment on account Bengal - - - -		91,232	3,19,156
	6,02,454		To Bengal - - - -		11,33,436	
Deduct Adjustment on account Commerce -	12,827	5,89,627	Deduct, Adjustment on account London and Subordinates -		93,488	10,39,948
From Bengal - - - -		28,34,411				
From Bombay - - - -		1,22,218	To Bombay - - - -		- - -	18,22,846
From Commercial Department - -	6,51,588		To Subordinates - - -		- - -	2,256
Add, Adjustment on account London - -	12,827		To Commercial Department -		11,62,683	
	6,64,415		To Commercial Balance 30 April 1815 -	58,217		
Deduct, Europe Stores supplied Political Dep^t	3,49,849	3,14,566	Ditto - 1816 - -	1,85,379		
		38,60,822	Add, Augmentation in Commercial Balance - - -		1,27,162	12,89,845
Excess of Supplies rendered -		6,13,229				
	Ps.	44,74,051			*Ps.*	44,74,051

DEBT TRANSACTIONS:

Debt incurred in the several Departments - - - - - -		*Ps.* 8,62,469	Debt paid off in the several Departments -		6,37,281
Ditto, on account Carnatic Fund - - - -	*Ps.* 4,33,536		Excess of Debt incurred - - - -		2,97,918
Deduct, paid in England - -	3,27,605				
Over-credited for Interest - -	30,630				
Moiety of Register's Salary -	2,571				
		3,60,806			
		72,730			
	Ps.	9,35,199		*Ps.*	9,35,199

Excess of Supplies rendered, as shown above - - -		6,13,229
Deduct Excess of Debt incurred, ditto - - -	2,97,918	
Also, Balance of unadjusted transactions of the several Officers in the different Departments, stated in detail in the Madras Accounts - - - - - -	2,55,334	
		5,53,252
		59,977
CASH BALANCE remaining on the 30th April 1816 - - - *Ps.*		70,81,724

(*continued*)

			Pagodas.	Pagodas.
BY BALANCE remaining on 30th April 1816 - - - - - - - - - -			- - -	70,81,724
1816–17:				
Amount of Territorial Revenues realized in this year, according to Annual Budget Account No. 3, presented to Parliament - - - - - - - - - - - - -			1,34,00,550	
		Pagodas.		
Amount of Territorial Charges incurred in this year, per Budget Account No. 3		1,30,03,498		
Deduct Amount overstated in ditto on account stores, &c. - - - - -		4,00,111		
		1,26,03,387		
Interest on Debts - - - - - - - - - -	Pgs. 3,00,383			
Less Amount overstated for Carnatic Fund - - - - - -	47,388			
		2,52,995		
TOTAL CHARGES - - -			1,28,56,382	
Surplus - - -			- - -	5,44,168
				76,25,892

SUPPLIES:

		Pagodas.	Pagodas.			Pagodas.
From London, including transactions on account of His Majesty's Government -		4,49,471		To London, including His Majesty's Government - - - -		90,075
D° on account Carnatic Fund		4,55,482				
D° adjustm^t on account Bengal		4,271		To Bengal - - -		16,14,159
		9,09,224		To Bombay - - -		14,21,138
Deduct, adjustment on acc^t Commerce	Ps. 18,266					
Ditto, Subordinates -	252			Commercial Department -	Pgs. 13,56,090	
		18,518				
From Bengal - - -		27,82,915	8,90,706			
Add, Adjustment with Commerce, per contra, amount of Consignment - - -		1,29,332		Add, Consignment adjusted with Bengal, per contra -	1,29,332	
		29,12,247				
Deduct, Gain by exchange on Drafts on Bengal -	19,017					
Transfer to London adjusted - -	4,271					
Ditto, Subordinates	840					14,85,422
		24,123	28,88,119			
From Bombay - - -		- - -	214,687			
From Subordinates - -		- - -	1,092			
From Commercial Department		5,11,191				
Add, adjustment with London		18,266				
Comm^l balance 30 Apr. 1816 -	1,85,379					
Ditto 1817 -	1,84,857					
Disbursed from Commercial balance - - -		522				
		5,29,979				
Deduct, Europe Stores supplied to Political Department -		1,99,065				
			3,30,914			
			43,25,518			
Excess of Supplies rendered - - -			2,85,276			
		Pgs.	46,10,794		Pgs.	46,10,794

DEBT TRANSACTIONS:

	Pgs.			Pgs.	
Debt incurred in the several Departments	8,62,267	Debt paid off in the several Departments - - - - - -		- - -	7,64,376
		Incurred on account Carnatic Fund -		4,55,832	
		Deduct, paid in London -	4,55,482		
		Over credited for interest -	47,388		
		Moiety of Registrar's Salary	2,577		
				5,05,477	
					49,615
					8,13,991
		Excess of debt incurred - - - - - - -			48,276
Pgs.	8,62,267			Pgs.	8,62,267

Deduct, Excess of supplies rendered, as shown above - - - - - -		2,85,276	
Less excess of Debt incurred - - - - - - - - - -	48,276		
Balance of unadjusted transactions of the several Officers in the different Departments, stated in detail in the Madras Accounts -	16,522		
		64,798	
			2,20,478
CASH BALANCE remaining on 30th April 1817 - - - Pgs.			74,05,414

							Pagodas.	Pagodas.
BY BALANCE remaining on 30th April 1817 - - - - - - - - -							- - -	74,05,414
1817–18:								
Amount of Teritorial Revenues realized in this year, according to Annual Budget Account No. 3, presented to Parliament - - - - - - - - - - - -							1,34,53,268	
Amount of Territorial Charges incurred in this year, per Budget Account No. 3						1,36,88,135		
Deduct, Amount overstated on account stores, &c. - - - - - -						94,674		
						1,35,93,461		
Interest on Debts - - - - - - - - -					Pgs. 3,17,545			
Less amount overcharged on account Carnatic Fund - - -					71,466			
						2,46,079		
TOTAL CHARGES - - -							1,38,39,540	
Deficit to be deducted from Cash Balance - - -							- - -	3,86,272
BALANCE remaining - - -							- - -	70,19,142
SUPPLIES:								
From London Pgs. 7,33,438		Pgs.	To London - - -		Pgs. 50,547		Pgs.	
Ditto on account Carnatic Fund - 2,27,622			Add, Adjustment with Bengal		3,427			
Ditto adjustment with Bengal - 1,153					53,974			
9,62,213			Deduct, Adjustment on account Subordinates - - -		3,244			
Deduct, Adjustment on account Commerce - 6,197							50,730	
			To Bengal, including His Majesty's Government -		Pgs. 12,83,042			
From Bengal - 35,83,182		9,56,016	Deduct, Adjustment with London - - 3,427					
Add, Adjustment of Commercial consignment per contra - 1,41,172			Ditto Subordinates 2,839					
					6,266			
							12,76,776	
37,24,354			To Bombay - - -		- - -		15,63,119	
			To Subordinates - -		- - -		6,083	
Deduct, Adjustmt with London and exchange on Drafts - 20,072			To Commercial Department		12,39,360			
			Add, Consignment to Bengal, per contra - -		1,41,172			
		37,04,282	Commercial balance 30th April 1817 - 1,84,857					
From Bombay - - -		4,35,999	Ditto 1818 - 1,91,804					
From Commercial Department - 3,57,895					6,947			
Add, consignment on account of Commerce - 6,197							10,87,479	
3,64,092							42,84,187	
Deduct, Europe Stores supplied Political Department - 1,24,283			Excess of Supplies received - - -				10,51,919	
		2,39,809						
Pgs.		53,36,106			Pgs.		53,36,106	
DEBT TRANSACTIONS:								
Debt incurred in the several Departments - -		Pgs. - - -	Pgs. 10,87,522	Debt paid off in the several Departments - -			Pgs. 9,04,005	
Incurred on account Annuity Fund - - - -		5,37,662		Excess of Debt incurred -			419,520	
Deduct, paid in London - -	Pgs. 2,27,622							
Overcredited for interest -	71,466							
Moiety of Registrar's salary - -	2,571							
		3,01,659						
			2,36,003					
		Pgs.	13,23,525			Pgs.	13,23,525	
Excess of Supplies received as above - - - - - - - - -								10,51,919
Ditto of Debt incurred in ditto - - - - - - - - -								4,19,520
								14,71,439
Deduct the Balance of unadjusted transactions of the several Officers in the different Departments, stated in detail in the Madras Accounts - - -								4,17,908
								10,53,531
CASH BALANCE remaining on 30th April 1818 - - -							Pgs.	80,72,673

(*continued*)

BY BALANCE remaining on 30th April 1818 - - - - - - - - - -		Pgs.	80,72,673
Or at 3 ½ Rupees the Pagoda - - - - - - - - - -		Rs.	2,82,54,355

1818–19:

Amount of Territorial Revenues realized in this year according to the Annual Budget Account No. 3, presented to Parliament - - - - - - - - - -		Pgs.	1,34,03,580
Amount of Territorial Charges incurred in this year, per Budget Account No. 3, pagodas, 1,49,47,612, or - - - - - - - - - -		or Rs.	4,69,12,530
Deduct amount overstated in ditto, by including the value of Europe Stores, &c. - - - - - - - - - - - -		Rs. 5,23,16,642	
		6,25,644	
Interest on Debts - - - - - - - -	Rs. 11,38,525	5,16,90,998	
Less amount overstated, per Carnatic Fund - - - -	2,73,347		
		8,65,178	
TOTAL CHARGES - - -			5,25,56,176
Deficit to be Deducted from the Cash Balance - - -			56,43,646
BALANCE remaining - - -			2,26,10,709

SUPPLIES:

	Rupees.	Rupees.			Rupees.	
From London -	12,79,916		To London - - - -		1,22,073	
Deduct, Adjustment with Commerce on account, Canton	1,973		Add, Adjustment with Bengal, on account His Majesty's Government - - -		55,159	
	12,77,943				1,77,232	
Add, on account Carnatic Fund	11,06,042		Deduct, Adjustment on account Subordinates - - -		29,523	1,47,709
Adjustment with Bengal, on account His Majesty's Government - -	77,053		From Bengal - - -		51,63,520	
From Bengal -	1,19,63,374	24,61,038	Deduct, Adjustment with London, on account His Majesty's Government - - -	Rs. 55,159		
Add, consignment from Commercial Department -	41,611		Ditto, Subordinates -	9,280		
	1,20,04,985		Loss by Exchange -	72,943	1,37,382	
Deduct, Adjustment with London - 77,053						50,26,138
D° subordinates 7,50,149	8,27,202		To Bombay - - -		- - -	38,21,334
		1,11,77,783	To Subordinates - - -		- - -	38,803
From Bombay - - -		15,87,285	To Commercial - - -		41,28,364	
From Subordinates - - -		7,50,149	Add, Consignment to Bengal -		41,611	
From Commercial, including Canton	13,19,046		Commercial Balance 30 April 1818 -	6,71,316	41,69,975	
Less Europe Stores	6,32,490	6,86,556	Ditto, 30 April 1819 -	8,50,662		
			Add also augmentation in the Commercial Balance - -		1,79,346	
						43,49,321
						1,33,83,305
			Excess of Supplies received - - -			32,79,506
	Rs.	1,66,62,811				1,66,62,811

DEBT TRANSACTIONS:

Debt incurred in the several departments - - -		Rs. 42,79,678	Debt paid off in the several Departments - - -	Rs. 39,93,747	
Ditto, on account Carnatic Fund -	Rs. 19,57,696		Excess of Debt incurred -	8,55,240	
Deduct paid in London	Rs. 11,06,042				
Over credited for interest -	273,347				
Moiety of Registrar's Salary -	8,998				
	13,88,387	5,69,309			
	Rs.	48,48,987	Rs.	48,48,987	

Excess of Supplies received, as shown above - - - - - - -	32,79,506	
Ditto, of Debt incurred in ditto - - - - - - - - -	8,55,240	
Balance of unadjusted transactions of the several Officers in the different Departments stated in detail in the Madras Accounts - - -	27,28,651	68,63,397
CASH BALANCE remaining on the 30th April 189 - - - Rs.		2,94,74,106

			Rs.	Rs.
BY BALANCE remaining on 30th April 1819 - - - - - - - - -			- - -	2,94,74,106
1819-20:				
Amount of Territorial Revenues realized in this year according to Annual Budget Account No. 3, presented to Parliament, pagodas 1,35,17,510, or - - - - - - -			4,73,11,285	
Amount of Territorial Charges incurred in this year, per Budget Account No. 3, pagodas 1,42,37,110, or - - - - - - - - - Rs.		4,98,29,885		
Deduct amount over-stated in ditto - - - - - - - -		96,151		
		4,97,33,734		
Interest on Debts - - - - - - - - Rs.	15,50,726			
Deduct amount over-stated on account Carnatic Fund - -	3,12,090			
		12,38,636		
TOTAL CHARGES - - -			5,09,72,370	
Deduct Deficit from the Cash Balance - - -				36,61,085
BALANCE remaining - - -				2,58,13,021

SUPPLIES:

	Rs.	Rs.		Rs.	
From London -	25,65,725		To London - - - - -	1,48,989	
Add, Adjustment with Bengal on account His Majesty's Gov[t] -	32,996		Deduct on account of St. Helena - - - -	44,207	1,04,782
Also adjustment on account Carnatic Fund -	7,44,327	33,43,048			
From Bengal -	1,41,47,955		To Bengal - - - -	73,94,054	
Add, Consignment from Commerce	30,744		Deduct on account of St. Helena - - - -	27,620	73,66,434
	1,41,78,699				
Deduct, Adjustment with London - 32,996					
Ditto, Subordinates 820					
	33,816	1,41,44,883			
From Bombay - - - -		13,12,861	To Bombay - - - - - - -		42,44,009
From Subordinates - - -		820			
From Commercial	10,72,409		To Subordinates - - - - - -		71,827
Comm[l] Balance on 30 April 1819 - 8,50,662			To Commercial - - -	36,01,773	
D[o] 30 Ap. 1820 - 3,80,223			Add, Consignment to Bengal, adjusted per contra -	30,774	36,32,477
					1,54,19,529
Add, Amount disbursed from the Commercial Balances - -	4,70,439		Excess of Supplies received - - - -		49,24,931
		15,42,848			
	Rs.	2,03,44,460		Rs.	2,03,44,460

DEBT TRANSACTIONS:

		Rs.		Rs.	
Debt incurred in the several Departments - - -		73,74,578	Debt paid off in the several Departments - - -	58,31,638	
Ditto on account Carnatic Fund - -	Rs. 16,14,006		Excess of Debt incurred -	20,51,531	
Less paid in England 7,44,327					
Over credited for Interest - 3,12,090					
Moiety of Register's Salary - 8,998					
	10,65,415	5,48,591			
	Rs.	78,83,169	Rs.	78,83,169	

Excess of Supplies received, as shown above - - - - - - -	49,24,931	
Ditto of Debt incurred - - ditto - - - - - - - -	20,51,531	
	69,76,462	
Deduct, Balance of unadjusted transactions of the several Officers in the different Departments, stated in detail in the Madras Accounts - -	20,97,767	
		48,78,695
BALANCE remaining on the 30th April 1820 - - - Rs.		3,06,91,716

(*continued*)

					Rs.	Rs.
BY BALANCE remaining on 30th April 1820 - - - - - - - -					- - -	3,06,91,716
1820–21:						
Amount of Territorial Revenues realized in this year, according to Annual Budget Account No. 3, presented to Parliament, pagodas 1,35,08,765, or - - - - - - - - Rs.					4,72,80,677	
Amount of Territorial Charges incurred in this year, per Budget Account No. 3, pagodas 1,39,31,222, or - - - - - - - - - - Rs.				4,87,59,277		
Add, Further Charges of an extraordinary nature, omitted in ditto - - -				32,814		
				4,87,92,091		
Interest on Debts - - - - - - - - - -			14,40,061			
Less Amount overcharged for Carnatic Fund - - - -			3,53,073			
				10,86,988		
TOTAL CHARGES - - -					4,98,79,079	
Deduct, Deficit from Cash Balance - - -						25,98,402
Balance remaining on the 30th April 1821 - - -						2,80,93,314

SUPPLIES:

	Rs.	Rs.		Rs.	Rs.	Rs.
From London - -	32,09,981		To London - -	1,51,029		
Add, Adjustment with Bengal on Account His Majesty's Gov[t] -	2,14,561		Deduct, Adjustment on account Subordinates - - -	16,387		
	34,24,542				1,34,642	
Ditto on Account Carnatic Fund -	9,43,263		To Bengal - -	51,48,836		
	43,67,805		Deduct, Adjustment on account Subordinates - -	3,334		
Deduct, Stationery re-received for several Departments -	78,920				51,45,502	
			To Bombay - - - -		41,26,841	
		42,88,885	To Subordinates - - -		19,721	
From Bengal - -	56,57,453		To Commercial -	38,28,919		
Add, Consignment from Commercial Department - -	1,27,029		Add, Consignment to Bengal - -	1,27,029		
	57,84,482			39,55,948		
Deduct, Adjustment with London 2,14,561			Commercial Balance on 30th April 1820 Rs. 3,80,223			
Ditto, Subordinates 21			D[o], 30 Apr. 1821 - 7,54,001			
	2,14,582					
		55,69,900				
From Bombay - - - -		4,37,868	Add, Augmentation in Commercial Balances - -	3,73,778		
From Subordinates - - -		21				
From Commercial - - -		14,59,690			43,29,726	
		1,17,56,364				
Excess of Supplies rendered -		20,00,068				
	Rs.	1,37,56,432		Rs.	1,37,56,432	

DEBT TRANSACTIONS:

		Rs.		Rs.
Debt incurred in the several Departments - - - -		67,46,716	Debt paid off in the several Departments - - -	70,23,964
Ditto, on account Carnatic Fund -	19,62,772		Excess of Debt incurred -	3,53,931
Deduct, paid in England Rs. 9,43,263				
Over credited for interest -	3,53,073			
Registrar's Salary -	35,257			
	13,31,593			
		6,31,179		
	Rs.	73,77,895	Rs.	73,77,895

Excess of Supplies rendered - - - - - - - - -		20,00,068	
Deduct, Excess of Debt incurred - - - - - - - -	Rs. 3,53,931		
Add, Balance of unadjusted transactions of the several Officers in the different Departments, stated in detail in the Madras Accounts -	5,17,319		
		8,71,250	
			11,28,818
BALANCE remaining on the 30th April 1821 - - -		Rs.	2,69,64,496

		Rs.	Rs.
BY BALANCE remaining on the 30th April 1821 - - - - - - - - -		- - -	2,69,64,496
1821–22:			
Amount of Territorial Revenues realized in this year, according to Annual Budget Account No. 3, presented to Parliament, pagodas 1,38,92,573, or - - - - - - - -		4,86,24,005	
Amount of Territorial Charges incurred in this year, per Budget Account No. 3, pagodas 1,35,13,980, or - - - - - - - - - - - -	Rs. 4,72,98,390		
Deduct, Amount overstated in ditto by including Europe Stationery - -	83,239		
	4,72,15,691		
Interest on Debts - - - - - - - - - - Rs. 13,06,094			
Deduct, Amount over-stated on account Carnatic Fund - - - 3,89,119	9,16,975		
TOTAL CHARGES - - -		4,81,32,666	
Surplus - - -		- -	4,91,339

SUPPLIES:

	Rs.	Rs.
From London - -	32,23,372	
Add, Adjustment with Bengal on account His Majesty's Government - -	8,402	
	32,31,774	
D° Carnatic Fund -	7,44,831	
	39,76,605	
Deduct, Stationery supplied the several Departments -	74,245	
		39,02,360
From engal - -	67,58,683	
Add, Consignment from Commerce -	9,779	
	67,68,402	
Deduct, Adjustment with London 8,402 D° - Subordinates - - 1,207	9,609	
		67,58,853
From Bombay -	- -	14,04,887
From Subordinates	- -	1,207
From Commercial -	9,85,515	
Commercial balance on 30 April 1821 - 7,54,001 D° 30 April 1822 - 5,05,034		
Add, amount disbursed from the Commercial Balances -	2,48,967	
		12,34,482
		1,33,01,789
Excess of Supplies rendered -		6,22,334
	Rs	1,39,24,123

	Rs.	Rs.
To London - -	1,30,338	
Add, Adjustment with Bengal, on account His Majesty's Government - -	2,547	
		1,32,885
To Bengal - -	77,50,873	
Deduct, Adjustment on account Subordinates Rs. 17,440 D° London 2,547	19,987	
		77,30,886
To Bombay - - - -		28,25,266
To Subordinates - - -		17,440
To Commercial -	32,07,867	
Add, Consignment to Bengal - -	9,779	
		32,17,646
	Rs.	1,39,24,123

DEBT TRANSACTIONS:

		Rs.
Debt incurred in the several Departments		72,01,276
D° on acc^t Carnatic Fund Rs.	19,65,641	
Less paid in England 7,44,831		
Moiety of Registrar's Salary - - 8,998		
Over-credited for Interest - - - 3,89,119		
	11,42,948	
		8,22,693
	Rs.	80,23,969

	Rs.
Debt paid off in the several Departments	62,36,873
Excess of Debt incurred - - -	17,87,096
	Rs. 80,23,969

Excess of Debt incurred, as shown above - - - - - - - -		17,87,096	
Deduct, Excess of Supplies rendered - - - - - - -	6,22,334		
Balance of unadjusted transactions of the several Officers in the different Departments, stated in detail in the Madras Accounts -	9,71,601		
		15,93,935	
			1,93,161
BALANCE remaining on the 30th April 1822 - - - Rs.			2,76,48,996

								Rs.
BY BALANCE remaining on 30th April 1822 - - - - - - - - - - - - -								2,76,48,996
1822–23:								
Amount of Territorial Revenues realized in this year, according to Annual Budget Account No. 3, presented to Parliament - - - - - - - Pgs. 1,39,63,024, or							Rs. 4,88,70,584	
Amount of Territorial Charges incurred in this year, per Budget Account No. 3 - - - - - - - - Pgs. 1,26,82,481, or					Rs. 4,43,88,683			
Deduct, Amount overstated in ditto, by including Europe Stationery - -					94,372			
					4,42,94,311			
Interest on Debts - - - - - - - - - - Rs. 18,74,385								
Deduct, Amount overstated on account Carnatic Fund - 4,13,173					14,61,212			
TOTAL CHARGES - - -							4,57,55,523	
SUPPLIES:							Surplus - - -	31,15,061
From London - Rs.	98,52,178		To London - Rs.		1,43,251			
Deduct, Adjustment with Bengal, for Bills on the Court, on account Bengal Debt - - -	78,41,957		Add, Adjustment with Bengal, on account His Majesty's Government - -		178		1,43,429	
	20,10,221		To Bengal - - -		1,12,33,033			
Add, further adjustment with Bengal on account His Majesty's Government - -	14,389		Deduct, Adjustment with London - -	178				
Ditto, on account Carnatic Fund - -	8,40,123		Ditto Subordinates - -	2,487	2,665		1,12,30,368	
	28,64,733		To Bombay - - - - -				31,59,839	
Deduct, Stationery and Mint Stores - -	83,435		To Subordinates - - - -				2,487	
		27,81,298	To Commercial Departmt		22,85,253			
From Bengal - -	47,30,971		Commercial Balance, 30 April 1822 - 5,05,034					
Add, Adjustment with London for Bills on the Court - -	78,41,957		Ditto - 1823 - 5,64,485					
	1,25,72,928		Add, Augmentation in the Commercial Balance -		59,451		23,44,704	
Deduct, Adjustment with London - - 14,389							1,68,80,827	
Ditto with Subordinates - 483	14,872		Excess of Supplies received - -				6,03,423	
		1,25,58,056						
From Bombay - - - -		12,50,310						
From Subordinates - - - -		483						
From Commercial Department - -		8,94,103						
	Rs.	1,74,84,250				Rs.	1,74,84,250	

DEBT TRANSACTIONS:

Debt incurred in the several Departments - - - - - -		Rs. 95,65,835	Debt paid off in the several Departments - - - - - -		Rs. 60,84,041
Ditto, on account Carnatic Fund - -	20,94,536		Excess of Debt incurred - -		43,14,036
Deduct, paid in England - 8,40,123					
Over-credited for Interest - 4,13,173					
Moiety of Registrar's Salary - - 8,998	12,62,294				
		8,32,242			
	Rs.	1,03,98,077		Rs.	1,03,98,077

Excess of Supplies received, as shown above - - - - - - - - -	6,03,423	
Ditto of Debt incurred - - - - - - - - - - - - -	43,14,036	
	49,17,459	
Deduct, Balance of unadjusted transactions of the several Officers in the different departments, stated in detail in the Madras Accounts - -	7,41,936	
		41,75,523
BALANCE remaining on the 30th April 1823 - - - Rs.		3,49,39,580

					Rs.
BY BALANCE remaining on 30th April 1823 - - - - - - - - - - - -					3,49,39,580

1823–24.

Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 3, presented to Parliament - - - - - - -		Pgs. 1,87,46,912, or		Rs. 4,81,14,192
Amount of Territorial Charges incurred in this year, per Budget Account, No. 3 - - - - - - -		Pgs. 1,55,72,058, or	Rs. 5,45,02,203	
Add, Charges omitted in ditto, on adjustment - - - - -			2,255	5,45,04,458
Interest on Debts - - - - - - - - -		14,87,141		
Less, Amount overcharged for Carnatic Fund - - -		1,607	14,85,534	
TOTAL CHARGES - - - - -				5,59,89,992
Deduct, Deficit from Cash Balance - - -				78,75,800
Balance Remaining - - -				2,70,63,780

SUPPLIES:

	Rs.	Rs.		Rs.	
From London, including transactions on account His Majesty's Government - - - -	22,56,973		To London -	52,16,537	
			Add, Adjustment with Bengal - - -	150	52,16,687
Ditto, on account Carnatic Fund - - -	8,81,371		To Bengal - -	58,35,611	
	31,38,344		Deduct, Amount included for Expenses of Burmese War in Madras Charges,	2,89,182	
Deduct, Political Stores -	8,26,221				
		23,12,123			
From Bengal - - -	92,24,768				
Deduct, Gain by Exchange now credited as Revenue	1,04,707		Adjustment with London -	150	
		91,20,061	D° Subordinates	1,646	
				2,90,978	55,44,633
From Bombay - - - -		15,73,976	To Bombay - - - - -		24,73,320
Commercial - - - - -		5,08,964	To Subordinates - - - -		1,646
		1,35,15,124	To Commercial - - - -		17,94,606
Excess of Supplies rendered - -		15,15,768			
	Rs.	1,50,30,892		Rs.	1,50,30,892

DEBT TRANSACTIONS:

		Rs.		Rs.
Debt incurred in the several Departments - - - - -		87,70,054	Debt paid off in the several Departments - - - - - -	86,99,853
Ditto, on account Carnatic Fund - -	11,56,393		Excess of Debt incurred - -	4,82,138
Add, Petty Claims discharged improperly deducted at Madras -	1,38,522			
	12,94,915			
Deduct, paid in London - - 8,81,371				
Over-credited for Interest - 1,607				
	8,82,978			
		4,11,937		
	Rs.	91,81,991	Rs.	91,81,991

Excess of Supplies rendered as above - - - - - - - - -	15,15,768	
Balance of unadjusted transactions of the several Departments, stated in detail in the Madras Accounts - - - - - - - - - - -	13,97,094	
	29,12,862	
Deduct, Excess of Debt incurred - - - - -	4,82,138	
		24,30,724
BALANCE remaining on the 30th April 1824 - - - Rs.		2,46,33,056

				Rs.
BY BALANCE remaining on 30th April 1824 - - - - - - - - - - - - -				2,46,33,056
1824–25.				
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 3, presented to Parliament - - - - - - - *Pgs.* 1,36,01,857, or			Rs. 4,76,06,500	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 3 - - - - - - - - - - *Pgs.* 1,43,42,589, or		Rs. 5,01,99,062		
Deduct, Amount included above on account of Burmah War Charges, &c. which are not brought on the Madras Accounts till 1825–6 - - -		14,21,518		
		4,87,77,544		
Add, Interest on Debts - - - - - - - - -	18,73,401			
Amount short-stated for interest on Carnatic Fund - - -	5,724			
		18,79,125		
TOTAL CHARGES - - -			5,06,56,669	
Deduct, Deficit from Cash Balance - - -				30,50,169
				2,15,82,887

SUPPLIES:

		Rs.	Rs.		Rs.
From London, including His Majesty's Government - -		19,76,697		To London - - -	1,45,431
Ditto on Account Carnatic Fund		7,76,212		To Bengal - - -	67,74,383
		27,52,909		To Bombay - - -	56,49,369
Deduct, Political Stores - -		4,84,718	22,68,191	To Commercial - -	24,15,480
From Bengal - - - -		1,14,01,866			1,49,84,663
Less, a re-credit for Military Charges on Account Burmese War, adjusted in its proper place - - - - -		2,89,182		Excess of Supplies received	26,17,150
		1,11,12,684			
Deduct, Gain by exchange credited as Revenue - -	35,084				
Also, Adjustment with Subordinates - -	439				
		35,523	1,10,77,161		
From Bombay - - - - - -			37,47,134		
From Subordinates - - - - -			439		
From Commercial - - - - -			5,08,888		
		Rs.	1,76,01,813	Rs.	1,76,01,813

DEBT TRANSACTIONS:

	Rs.	Rs.		Rs.
Debt incurred in the several Departments -		1,10,50,570	Debt paid off in the several Departments - -	77,97,132
Ditto on account Carnatic Fund	15,88,831		Excess of Debt paid off -	43,14,114
Add, amount petty Claims discharged, erroneously debited the Fund in India - -	2,42,333			
Amount short-charged for Interest	5,724			
	18,36,888			
Deduct, paid in London - -	7,76,212	10,60,676		
	Rs.	1,21,11,246	Rs.	1,21,11,246

Excess of Supplies received, as above - - - - - - - - - -	26,17,150	
Ditto of Debt incurred - - - - - - - - - - - -	43,14,114	
	69,31,264	
Deduct, Balance of unadjusted transactions of the several Departments, stated in detail in the Madras Accounts - - - - - - - - - -	9,16,266	
		78,47,530
BALANCE remaining on the 30th April 1825 - - - *Rs.*		2,94,30,417

				Rs.
BY BALANCE remaining on 30th April 1825 - - - - - - - - - - - - -				2,94,30,417
1825–26.				
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 3, presented to Parliament - - - - - - *Pgs.* 1,42,87,287, or			Rs. 5,00,05,504	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 3. - - - - - - - - - - - - *Pgs.* 1,42,62,073, or		Rs. 4,99,17,255		
Add, further Charges stated in the Madras Accounts in this year as Burmah War Charges, and included in the Budget view in 1824–25 - - - -		12,20,637		
Also, Interest on Debts - - - - - - - - - -	19,07,211			
Less, Amount over-stated for Carnatic Deposit - - - - -	46,640			
		18,60,571		
TOTAL CHARGES - - -			5,29,98,463	
Deduct, Deficit from Cash Balance - - -				29,92,959
Balance remaining - - -				2,64,37,458

SUPPLIES:

	Rs.	Rs.		Rs.	Rs.
From London, including His Majesty's Government - - -	21,09,411		To London - - -	1,81,052	
Ditto on account Carnatic Fund - -	7,97,746		Add, Adjustment with Bengal - - -	92	1,81,144
	29,07,157		To Bengal - - -	91,98,443	
Deduct, Political Stores	5,17,048	23,90,109	Deduct, Adjustment on account Subordinates - 76,319		
From Bengal - -	1,28,43,026		Ditto London - 92	76,411	
Deduct, Gain by Exchange, transferred to Revenue - - 6,717					91,22,032
Adjustment with Subordinates - 6,332			To Bombay - - - -		61,81,571
			To Subordinates - - - -		76,319
			To Commercial - - - -		14,17,796
	13,049				1,69,78,862
		1,28,29,977	Excess of Supplies received - -		9,02,900
From Bombay - - - -		21,78,389			
From Subordinates - - - -		6,332			
From Commercial - - - -		4,76,955			
	Rs.	1,78,81,762		Rs.	1,78,81,762

DEBT TRANSACTIONS:

		Rs.		Rs.
Debt incurred in the several Departments - - - - - -		86,79,389	Debt paid off in the several Departments - - - - - -	1,06,42,023
Ditto on account Carnatic Fund - -	Rs. 20,07,090			
Less, paid in London - 7,97,746				
Over credited for Interest - 46,640				
	8,44,386			
		11,62,704		
		98,42,093		
Excess of Debt discharged - -		7,99,930		
	Rs.	1,06,42,023	Rs.	1,06,42,023

Excess of Supplies received - - - - - - - - - - - - -	9,02,900	
Balance of unadjusted transactions of the several Departments, stated in detail in the Madras Accounts - - - - - - - - - - - -	1,18,193	
	10,21,093	
Deduct, Excess of Debt discharged - -	7,99,930	
		2,21,163
Balance remaining on the 30th April 1826 - - Rs.		2,66,58,621

				Rs.
BY BALANCE remaining on 30th April 1826 - - - - - - - - - - - - -				2,66,58,621

1826–27.

			Rs.	
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 3, presented to Parliament - - - - - - - - *Pgs.* 1,49,54,203, or			5,23,39,711	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 3 - - - - - - - - - - *Pgs.* 1,35,81,404, or		Rs. 4,75,34,914		
Deduct, Amount overstated in ditto, now adjusted - - - - - - -		1,03,332		
		4,74,31,582		
Interest on Debts - - - - - - - - - -	19,66,412			
Deduct, overstated on account Carnatic Fund - -	97,668			
		18,68,744		
TOTAL CHARGES - - - -			4,93,00,326	
Surplus - - -				30,39,385
				2,96,98,006

SUPPLIES:

	Rs.	Rs.			Rs.
From London, including transactions on account of His Majesty's Government -	32,75,593		To London - - - -	2,18,425	
Ditto on account Carnatic Fund -	9,28,543		Add, Adjustment on account Bengal - - - -	30,899	
	42,04,136				2,49,324
Deduct, Political Stores - -	11,26,917		To Bengal - - - -	52,75,689	
		30,77,219	Deduct, Transferred to Subordinates -	6,30,559	
From Bengal -	97,79,238		Adjustment with Bengal - -	30,899	
Deduct, Adjustment on account Subordinates -	60,065			6,61,458	
		97,19,173			46,14,231
From Bombay - - -		26,46,177	To Bombay - - - - - -		90,50,639
From Subordinates - -		60,065	To Subordinates - - - - -		6,30,559
From Commercial - -		2,24,141	To Commercial - - - - - -		21,95,030
		1,57,26,775			
Excess of Supplies rendered -		10,13,008			
	Rs.	1,67,39,783		Rs.	1,67,39,783

DEBT TRANSACTIONS:

	Rs.	Rs.		Rs.
Debt incurred in the several Departments - - - - - -		81,92,890	Debt paid off in the several Departments - - -	95,50,871
Ditto - on account Carnatic Fund - - - -	20,96,471		Ditto, the Accumulated Profits of the Government Bank carried to account of Revenues in this year - -	54,26,981
Less, paid in England, 9,28,543				
Over credited for Interest - - 97,668				
	10,26,211			
		10,70,260		
		92,63,150		
Excess of Debt paid off - - - -		57,14,702		
	Rs.	1,49,77,852	Rs.	1,49,77,852

Deduct, Excess of Supplies rendered, as above - - - - - - -	10,13,008	
Ditto, Debt discharged - - - ditto - - - - - - - -	57,14,702	
Balance of unadjusted transactions of the several Departments, stated in detail in the Madras Accounts - - - - - - - -	3,90,485	
		71,18,195
BALANCE remaining on the 30th April 1827 - - - Rs.		2,25,79,811

					Rs.
BY BALANCE remaining on 30th April 1827 - - - - - - - - - - - -					2,25,79,811

1827–28.

				Rs.	
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 3, presented to Parliament - - - - - - -				4,67,93,586	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 3 - - - - - - - - - - -	Pgs. 1,50,18,992, or		Rs. 5,25,66,472		
Add, Amount short stated in ditto, now adjusted - - - - - -			40,983		
		Rs.	5,26,07,455		
Interest on Debts - - - - - - - - - - -		20,23,515			
Less, amount overcharged for Carnatic Deposit - -	1,59,241				
And the Interest on the sum of Rs. 54,26,981, the accumulated profits of the Government Bank, credited as Revenue last year - - - - - - -	3,25,619				
		4,84,860			
			15,38,655		
TOTAL CHARGES - - -				5,41,46,110	
Deduct deficit from the Cash Balance - - -					73,52,524
Balance remaining - - -					1,52,27,287

SUPPLIES:

	Rs.	Rs.		Rs.	Rs.
From London, including transactions on account of His Majesty's Government -	35,72,382		To London - - -	32,44,436	
			Add, Adjustment with Bengal, on account His Majesty's Government - - -	80,892	
					33,25,328
Ditto on account Carnatic Fund -	10,35,832		To Bengal - - - -	47,96,320	
	46,08,214		Deduct, Transferred to Subordinates	4,86,368	
			Ditto to London -	80,892	
Deduct, Political Stores - -	10,68,356			5,67,260	
					42,29,060
		35,39,858	To Bombay - - - - - -		37,84,387
From Bengal	1,07,98,497		To Subordinates - - - - -		4,86,368
Ditto, on account Deccan Prize -	5,87,822		To London - - - - - -		33,85,799
		1,13,86,319			1,52,10,942
From Bombay - - -		37,44,158	To Excess of Supplies received - - -		43,47,160
From Subordinates - -		7,15,701			
From Commercial - -		1,72,066			
	Rs.	1,95,58,102		Rs.	1,95,58,102

DEBT TRANSACTIONS:

	Rs.	Rs.		Rs.
Debt incurred in the several Departments - - -	- - -	78,04,754	Debt paid off in the several Departments - - -	69,27,221
Deduct, Interest on Bank Profits, as above - - -	- - -	3,25,619	Ditto at Bengal on account Deccan Prize - - -	5,87,822
		74,79,135		75,15,043
Debt incurred on account Carnatic Fund - - -	22,14,858		Excess of Debt incurred -	9,83,877
Less, paid in England - -	10,35,832			
Over credited for Interest - -	1,59,241			
		11,95,073		
		10,19,785		
	Rs.	84,98,920	Rs.	84,98,920

Excess of Supplies received - - - - - - - - - - -	43,47,160	
Ditto of Debt incurred - - - - - - - - - - - -	9,83,877	
Balance of unadjusted transactions of the several Departments, stated in detail in the Madras Accounts - - - - - - - -	96,723	
		54,27,760
BALANCE remaining on the 30th April 1828 - - - Rs.		2,06,55,047

					Rs.
By Balance remaining on 30th April 1828 - - - - - - - - - -					2,06,55,047

1828–29.

Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 3, presented to Parliament - - - - - - Ps. 1,39,37,623, or				Rs. 4,87,81,680	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 3 - - - - - - - - - - Pgs. 1,37,55,559, or			4,81,44,457		
Add, Charges short stated in ditto, now adjusted - -		- -	81,638		
Interest on Debts - - - - - - - - -		19,44,522			
Less, Amount over-charged on Carnatic Deposit -	2,30,896				
And the Interest on the sum of Rupees 54,26,981, the accumulated Profits of the Government Bank, credited as Revenue in 1826-27 - -	3,25,619				
		5,56,515	13,88,007		
Total Charges - - -				4,96,14,102	
Deduct, Deficit from the Cash Balance - - -					8,32,422
Balance Remaining - - - -					1,98,22,625

Supplies:

	Rs.	Rs.		Rs.	Rs.
From London - -	34,10,838		To London - -	2,09,024	
Ditto, on account Carnatic Fund - -	8,27,253		Add, Adjustment transferred from Bengal -	28,330	
	42,38,091				2,37,354
Deduct, Value of Political Stores - - 7,18,654			To Bengal - -	51,78,282	
Payment of Sir E. Stanley's Salary, 29,864			Deduct, transferred to London - 28,330		
	7,48,518	34,89,573	Ditto to Subordinates 4,50,371	4,78,701	
From Bengal - -	89,20,422				46,99,581
Deduct, transferred to Subordinates - -	4,03,178		To Bombay - - - -		68,00,390
		85,17,244	To Subordinates - - -		4,50,371
From Bombay - - - -		26,50,342	To Commercial - - - -		24,45,504
From Subordinates - - - -		4,03,178			1,46,33,200
From Commercial - - - -		1,48,699	Excess of Supplies received -		5,75,836
	Rs.	1,52,09,036		Rs.	1,52,09,036

Debt Transactions:

		Rs.		Rs.
Debt incurred in the several Departments - - - - -		80,27,089	Debt paid off in the several Departments - - - - -	73,94,205
Deduct, Interest on Bank Profits, as above - - - -		3,25,619	Native Pension Fund, credited as an extraordinary charge - -	5,80,261
		77,01,470		79,74,466
Debt incurred on account Carnatic Fund - -	22,10,598		Excess of Debt incurred - -	8,79,453
Less, Paid in England - - 8,27,253				
Over-credited for Interest - - 2,30,896				
	10,58,149			
		11,52,449		
	Rs.	88,53,919		88,53,919

Excess of Supplies received, as above - - - - -	5,75,836	
Ditto of Debt incurred - - - - - - - - - - - -	8,79,453	
	14,55,289	
Deduct Balance of unadjusted transactions of the several Departments, stated in detail in the Madras Accounts - - - - - - - -	2,02,743	
		12,52,546
Balance remaining on the 30th April 1829 - - - - Rs.		2,10,75,171

—No. 7. (C.)—

A SUMMARY VIEW of the CASH TRANSACTIONS of the Government of *Bombay*, from 1814–15 to 1828–29, inclusive.

—No. 7. (C.)— - - - - - - - -

A SUMMARY VIEW of the CASH TRANSACTIONS of the

	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.
	£.	£.	£.	£.	£.	£.
Balance at the commencement of each official year - - - - - - - -	614,224	765,173	825,349	567,868	1,192,703	1,330,038
Add:						
The Amount of Revenues realized in each year, per Budget Account No. 5. - -	819,204	818,816	860,292	1,302,445	1,660,202	1,577,932
Extraordinary Receipts in excess of Extraordinary Charges which were omitted in Budget Account No. 5. - - -	17,456	23,043	13,638	46,163	- - -	- - -
Supplies from London, exclusive of Political Stores, included in Home Charges in excess of supplies thereto - - -	18,452	11,885	85,171	78,903	184,785	130,335
Supplies from Bengal and Madras, in excess of supplies thereto - - -	1,87,027	1,313,761	941,732	1,301,436	1,018,349	1,263,420
Supplies from subordinate settlements, (including St. Helena,) in excess of supplies thereto - - - - - - -	101	- - -	- - -	- - -	188	33
Supplies from Commercial Department, (including Canton,) in excess of supplies thereto - - - - - - -	- - -	- - -	- - -	- - -	- - -	12,718
Debt incurred by the receipt of deposits, &c. in excess of the deposits discharged -	- - -	95,611	5,848	142,506	3,429	- - -
TOTAL RECEIPTS in each year, combined with the Balance at the commencement of each year - - - - - - - -	2,656,464	3,028,289	2,732,030	3,439,321	4,059,656	4,314,476
Deduct:						
Amount of the Territorial Charges incured in each year, per Budget Account No. 5, which excludes the value of Political Stores charged in Home Account -	1,675,200	1,937,430	1,902,454	1,885,788	2,492,194	2,395,844
Extraordinary Charges in excess of extraordinary Receipts, which were omitted in the Budget Account No. 5. - - -	- - -	- - -	- - -	- - -	8,436	195,831
Interest on Deposits not included in No. 5, but stated in the combined view of the Revenues and Charges of India in Budget Account No. 8. - - - - - -	21,524	18,827	22,002	26,527	36,811	29,672
Supplies to London in excess of supplies therefrom - - - - - - -	- - -	- - -	- - -	- - -	- - -	- - -
Ditto to Bengal and Madras in excess of supplies therefrom - - - - -	—	—	—	—	—	—
Ditto to subordinate settlements (including St. Helena) ditto ditto - - -	- - -	- - -	- - -	- - -	- - -	- - -
Ditto to Commercial Department (including Canton) in excess of supplies therefrom	130,494	246,744	239,706	334,303	192,177	- - -
Debt paid off by deposits, &c. discharged, in excess of the deposits received -	63,714	- - -	- - -	- - -	- - -	40,426
TOTAL PAYMENTS - - -	1,890,932	2,203,001	2,164,162	2,246,618	2,729,618	2,661,773
	*765,532	*825,288				*1,652,703
	*Deduct 359	*Add - 61			*Deduct 239,885	
BALANCE remaining at the close of each official year - - - £.	765,173	825,349	567,868	1,192,703	1,330,038	1,412,818

* *Red ink* in MS.

Note.—In the years 1814–15 and 1815–16 apparent variations of small amount occur between the closing balances accounts of some small items of receipt and charge. The discrepance between the closing balance of 1819–20, and the Bombay, to be occasioned by an alteration in the system of stating the military charges. The *unaudited* military advances of exhibiting the real cash in hand.

East India House,
2 April 1832.

— No. 7. (C.) —

GOVERNMENT of *Bombay*, from 1814–15 to 1828–29 inclusive.

1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1,412,818	1,344,960	1,161,336	1,291,242	1,211,130	914,401	1,259,866	1,617,176	1,858,231	*Balance 1 May 1814. 614,224
2,401,312	2,855,741	3,372,447	2,789,550	1,785,217	2,262,393	2,588,983	2,542,326	2,331,802	29,968,662
- - -	- - -	- - -	- - -	- - -	- - -	25,035	35,720	25,661	186,716
132,770	149,380	87,956	- - -	97,921	91,002	96,858	128,644	169,274	1,463,336
718,986	728,113	1,203,508	506,958	1,059,984	1,882,310	1,669,931	2,025,070	1,187,074	18,007,659
984	794	7,694	- - -	117	1,258	- - -	2,468	88	13,725
- - -	90,237	- - -	- - -	- - -	- - -	- - -	- - -	- - -	102,955
102,811	- - -	41,008	27,796	184,950	214,446	80,381	- - -	- - -	898,786
4,769,681	5,169,225	5,873,949	4,615,546	4,339,319	5,365,810	5,721,054	6,351,404	5,572,130	51,256,063
3,197,366	3,609,895	4,265,051	3,228,156	3,285,990	4,008,921	3,975,411	4,033,477	3,651,207	45,544,384
37,215	11,601	- - -	- - -	- - -	- - -	- - -	- - -	- - -	253,083
26,941	18,535	9,961	16,353	19,993	24,067	20,610	27,230	22,597	341,650
- - -	- - -	- - -	37,856	- - -	- - -	- - -	- - -	- - -	37,856
—	—	—	—	—	—	—	—	—	—
- - -	- - -	- - -	- - -	- - -	- - -	166	- - -	- - -	166
163,199	- - -	307,695	122,051	118,935	72,956	107,691	188,901	123,388	2,348,240
- - -	367,858	- - -	- - -	- - -	- - -	- - -	243,565	9,600	725,163
3,424,721	4,007,889	4,582,707	3,404,416	3,424,918	4,105,944	4,103,878	4,493,173	3,806,792	49,250,542
									* 2,005,521
								* Deduct	240,183
1,344,960	1,161,336	1,291,242	1,211,130	914,401	1,259,866	1,617,176	1,858,231	1,765,338	1,765,338

of those years, and the opening balances of the succeeding years, which are occasioned by omissions in the original opening balance of 1820–21 to the extent of Rs. 21,32,310, or 239,885 *l.* is explained by the Accountant-general at being included in the former year's balance, and excluded from the opening balance of the latter year, for the purpose

(Errors excepted.) (signed) *James C. Melvill,*
Aud. Indian Acc^ts.

No. 7. (C.)—*continued.*

A SUMMARY of the CASH TRANSACTIONS of *Bombay* and its Subordinates, from the Year 1814–15 to 1828–29, including SUPPLIES made to, and received from, other Presidencies, &c.

					Rs.
BY CASH BALANCES, remaining in the Treasuries of the several Departments, on the 30th April 1814					54,59,769
1814–15:				Rs.	
Amount of Territorial Revenues realized in this year, according to Budget Account, No. 5, annually presented to Parliament				72,81,815	
Further amount of Revenues, chiefly of an extraordinary nature, not included in the above view				3,36,677	
TOTAL REVENUES				76,18,492	
Amount of Territorial Charges incurred in this year, according to Budget Account, No. 5, annually presented to Parliament		Rs.	1,48,90,672		
Further charges omitted in the above view			1,81,511		
Interest			1,91,329		
TOTAL CHARGES				1,52,63,512	
Deficit				76,45,020	
SUPPLIES:					
	Rs.		Rs.		
From London	4,07,519	To London	2,43,503		
From Bengal, including transactions on account His Majesty's Government 85,44,860		To Bengal, including transactions on account His Majesty's Government	14,59,352		
Add, Consignment from Commerce 37,184		To Madras	4,58,713		
		To Commercial Department 28,70,609			
		Consignment to Bengal 37,184			
	85,82,044		29,07,793		
From Madras	38,87,366				
From Subordinate Settlements	900		50,69,361		
From Commercial Department	17,47,849	Excess of Supplies received	95,56,317		
Rs.	1,46,25,678	Rs.	1,46,25,678		
DEBT TRANSACTIONS:					
	Rs.		Rs.		
Debt incurred in the several Departments	2,24,861	Debt paid off	7,91,200		
Excess of Debt paid off	5,66,339				
Rs.	7,91,200	Rs.	7,91,200		
Excess of Supplies received, as shown above			95,56,317		
Deduct, Excess of Debt paid off, as shown above			5,66,339		
Means raised by these sources to meet the Deficit				89,89,978	
Supplies, &c. received in Excess of the Territorial Deficit					13,44,958
BALANCE remaining on 30th April 1815				Rs.	68,04,727

	Rs.	Rs.
BY BALANCE remaining on the 30th April 1815 - - - - - - - -	68,04,727	
Deduct, to be accounted for as an Extraordinary Charge, omitted last year - - - -	3,186	
		68,01,541
1815–16:		
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - -	72,78,364	
Further amount of Revenues, not included in Account No. 5 - - - - - - -	4,73,152	
TOTAL REVENUES - - -	77,51,516	
Amount of Territorial Charges incurred in this year, per Annual Parliamentary Account, No. 5 - - - - - - - - - - - - - Rs. 1,72,21,605		
Further Charges, omitted in No. 5 - - - - - - - - - - - 2,68,320		
Interest - - - - - - - - - - - - - - - 1,67,349		
TOTAL CHARGES - - -	1,76,57,274	
Deficit - - -	99,05,758	

SUPPLIES:

		Rs.			Rs.
From London - - - -		4,04,919	To London - - - -		2,99,279
From Bengal, including transactions on account His Majesty's Government -	71,77,926		To Bengal, including transactions on account His Majesty's Government - - -		14,16,052
			To Madras - - - -		5,16,281
Add, Consignment from Commerce -	1,87,703		To Commercial Department - -	39,36,666	
		73,65,629	Add, Consignment to Bengal - -	1,87,703	
From Madras - - - -		62,44,587			41,24,369
					63,55,981
From Commercial Department, including Canton - - -		19,31,088	Excess of Supplies received -		95,90,242
Rs.		1,59,46,223	Rs.		1,59,46,223

DEBT:

	Rs.		Rs.
Debt incurred in the several Departments - - -	10,43,671	Debt paid off in the several Departments - - -	1,93,795
		Excess of Debt incurred -	8,49,876
Rs.	10,43,671	Rs.	10,43,671

Excess of Supplies received, as shown above - - -	95,90,242	
Ditto of Debt incurred - - - - - - - -	8,49,876	
Means to meet the Deficit - - - - - -	1,04,40,118	
Supplies, &c. received in Excess of Deficit - - - -		5,34,360
BALANCE remaining 30th April 1816 - - - Rs.		73,35,901

		Rs.	Rs.
BY Balance remaining on the 30th April 1816 - - - - - - - - -		73,35,901	
Add, to be accounted for as an Extraordinary Receipt, omitted in last year - -		537	73,36,438
1816–17:			
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - -		76,47,042	
Further amount of Revenues, not included in Account, No. 5 - - - - -	1,22,675		
Add, Adjustment of Supplies to His Majesty's Government, credited in Bengal Accounts - - - - - - - - - - - -	1,91,098		
		3,13,773	
TOTAL REVENUES - - -		79,60,815	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 5, Rs.	1,69,10,702		
Further Charges, omitted in No. 5 - - - - - - - - - - -	1,92,544		
Interest - - - - - - - - - - - - - - - -	1,95,573		
TOTAL CHARGES - - -		1,72,98,819	
Deficit - - -		93,38,004	

SUPPLIES:

		Rs.			Rs.
From London - - -		8,07,806	To London - - Rs.	92,736	
			Deduct, Amount transferred to Bengal -	42,000	
					50,736
From Bengal - -	Rs. 58,73,228		To Bengal, including transactions on account His Majesty's Government -	12,80,814	
Add, Consignment from Commerce	3,64,340		Add, a Transfer from London - -	42,000	
		62,37,570	Adjustments on account His Majesty's Government -	1,91,098	
					15,13,912
From Madras - - -		45,49,497	To Madras - - - -		9,02,204
From Commercial Department, including Canton - - -		14,41,221	To Commercial Department, including Canton -	32,07,608	
			Add, Consignments to Bengal - -	3,64,342	
					35,71,950
					60,38,802
			Excess of Supplies received -		69,97,292
	Rs.	1,30,36,094		Rs.	1,30,36,094

DEBT:

		Rs.			Rs.
Debt incurred in the several Departments - - -		4,98,258	Debt paid off in the several Departments - - -		4,46,272
			Excess of Debt incurred - -		51,986
	Rs.	4,98,258		Rs.	4,98,258

Excess of Supplies received, as shown above - - - -	69,97,292	
Ditto of Debt incurred - - - - - - - -	51,986	
Means towards meeting the Deficit - - -		70,49,278
Amount of Deficit in Excess of Supplies, &c. received - - -		22,88,726
BALANCE remaining 30th April 1817 - - - Rs.		50,47,712

		Rs.	Rs.
BY BALANCE remaining on the 30th April 1817 - - - - - - - -		- -	50,47,712
1817–18:			
Amount of Territorial Revenues realized in this year, according to Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - - -		1,15,77,292	
Further amount of Revenues, not included in Account, No. 5 - - -	Rs. 8,03,268		
Add, Adjustment of Supplies to His Majesty's Government, credited in Bengal Account - - - - - - - - - - - - - - - -	68	8,03,336	
TOTAL REVENUES - - -		1,23,80,628	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 5, Rs.	1,67,62,549		
Further Charges, omitted in No. 5 - - - - - - - - - - -	3,92,996		
Interest - - - - - - - - - - - - - - - -	2,35,811		
TOTAL CHARGES - - -		1,73,91,356	
Deficit - - -		50,10,728	

SUPPLIES:

		Rs.			Rs.
From London - - - -		7,25,071	To London - - - -		23,709
From Bengal - -	90,26,865		To Bengal, including Transactions on account of His Majesty's Government - -		16,44,180
Add, Consignment from Commerce	3,55,966	93,82,831			
From Madras - - - -		59,92,935	To Madras - - - -		21,85,365
From Commissioner at Poonah -		26,27,050	To Commissioner at Poonah -		26,08,955
From Commercial Department -		16,10,557	To Commercial Department -	42,26,170	
			Add, Consignment to Bengal -	3,55,966	45,82,136
					1,10,40,345
			Excess of Supplies received -		92,98,099
	Rs.	2,03,38,444		Rs.	2,03,38,444

DEBT:

	Rs.		Rs.
Debt incurred in the several Departments - - -	20,23,259	Debt paid off in the several Departments - - -	7,56,540
		Excess of Debt incurred - -	12,66,719
Rs.	20,23,259	Rs.	20,23,259

Excess of Supplies received, as shown above - - - -	92,98,099		
Ditto of Debt incurred - - - - - - -	12,66,719		
Means to meet the Deficit - - - - - -		1,05,64,818	
Supplies, &c. received in Excess of the Deficit - - - -			55,54,090
BALANCE remaining on the 30th April 1818 - - -		Rs.	1,06,01,802

(*continued*)

						Rs.	Rs.
BALANCE remaining on the 30th April 1818 - - - - - - - - -						- - -	1,06,01,802
1818–19:							
Amount of Territorial Revenues realized this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - -						1,47,57,350	
Further amount of Revenues not included in the above view - - - - - -						5,36,320	
TOTAL REVENUES - - -						1,52,93,670	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 5, *Rs.* 2,21,52,834							
Add, further amount of Charges, omitted in the above view - - - - -					6,11,308		
Interest - - - - - - - - - - - - - - - -					3,27,209		
TOTAL CHARGES - - -						2,30,91,351	
Deficit - - -						77,97,681	
SUPPLIES:							
		Rs.					
From London - - -		16,42,534	To Bengal - - - -		16,23,625		
From Bengal	*Rs.* 1,07,09,654		To Madras - - - -		16,96,797		
Add, Consignment from Commerce	6,74,580		To Commissioner at Poonah -		50,78,713		
		1,13,84,234	To Commercial -	31,34,889			
From Madras - - - -		36,95,106	Add, Consignment to Bengal -	6,74,580			
From Subordinates - - -		1,674			38,09,469		
From Commissioner at Poonah		23,71,787			1,22,08,604		
From Commercial - - -		21,01,228	Excess of Supplies received		89,87,959		
Rs		2,11,96,563	*Rs.*		2,11,96,563		
DEBT:							
		Rs.			*Rs.*		
Debt incurred in the several Departments - - -		22,46,222	Debt paid off in the several Departments - - -		22,15,746		
			Excess of Debt incurred -		30,476		
Rs.		22,46,222	*Rs.*		22,46,222		
Excess of Supplies received, as shown above - - -					89,87,959		
Excess of Debt incurred - - - - - - -					30,476		
Means to meet the Deficit - - - -						90,18,435	
Amount of Supplies received in Excess of Deficit - - - -							12,20,754
BALANCE remaining on the 30th April 1819 - - - -						*Rs.*	1,18,22,556

		Rs.	Rs.
BALANCE remaining on the 30th April 1819 - - - - - - - - - -		- - -	1,18,22,556
1819–20:			
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account, No. 5, present to Parliament - - - - - - - - - - - - - -		1,40,26,065	
Add, amount of Revenues from the recently acquired Mahratta Territory -	Rs. 51,86,150		
Further Receipts, of an extraordinary nature, also omitted in the Budget View -	2,10,570		
	53,96,720		
Deduct, an adjustment of clerical errors which occurred in the preparation of Budget Account, No. 5 - - - - - - - - - - -	2,10,611		
		51,86,109	
TOTAL REVENUES - - -		1,92,12,174	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 5	2,12,96,394		
Add, amount of Charges of the recently acquired Mahratta Territory - -	51,52,615		
Further amount of Charges, chiefly of an extraordinary nature, also omitted in the Budget View - - - - - - - - - - - - -	17,74,206		
Interest - - - - - - - - - - - - - - - -	2,63,747		
TOTAL CHARGES - - -		2,84,86,962	
Deficit - - -		92,74,788	

SUPPLIES:

		Rs.			Rs.
From London - - -		11,58,532	To Bengal - - - -		18,10,031
From Bengal	Rs. 1,02,67,644		To Madras - - - -		16,98,122
Add, Consignments from Commerce	2,463		To Poonah - - - -		14,34,420
		1,02,70,107	To Commercial Department -	Rs. 17,15,693	
From Madras -	13,47,354		Add, Consignments to Bengal -	2,463	
Add, Consignments from Commerce	1,61,629		Ditto, Madras -	1,61,629	
		15,08,983			18,79,785
From Subordinates - - -		292			
From Poonah - - -		43,93,885			68,22,358
From Commercial Department		19,92,834	Excess of Supplies received -		1,25,02,275
	Rs.	1,93,24,633		Rs.	1,93,24,633

DEBT:

	Rs.		Rs.
Debt incurred in the several Departments - - -	6,31,852	Debt paid off in the several Departments - - -	9,91,197
Excess of Debt paid off - -	3,59,345		
Rs.	9,91,197	Rs.	9,91,197

Excess of Supplies received, as shown above - - -	1,25,02,275		
Deduct, Excess of Debt paid off - - - - - -	3,59,345		
Means to meet the Deficit - - - -		1,21,42,930	
Supplies received in Excess of the Deficit - - - -			28,68,142
BALANCE remaining on the 30th April 1820 - - -		Rs.	1,46,90,698

(*continued*)

	Rs.	Rs.
BALANCE remaining on the 30th April 1820 - - - - - - - - -	1,46,90,698	
Deduct * unaudited Advances - - - - - - - - - - - -	21,32,310	
		1,25,58,388

* Previously to this year the *audited* Military Disbursements only were included as Charges in the annual Statements; the Balance which remained, at the close of each year, therefore, consisted partly of *unaudited Advances*; but at this period the system was changed, the Advances being thenceforth at once stated as Charges; and the Accountant-General at Bombay, with the view of clearing the Balance at the close of 1819–20 of the *unaudited Advances*, excluded the amount thereof, viz. *Rs.* 21,32,310, from the opening Balance of 1820–21, which sum ought to have been included in the Charges of 1820–21.

1820–21:

		Rs.
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - -		2,13,44,994
Further amount of Revenues omitted in the above view - - - -	Rs. 2,63,864	
Add, adjustment of supplies to His Majesty's Government, credited in Bengal Account	70,795	
		3,34,659
TOTAL REVENUES - - -		2,16,79,653
Amount of Territorial Charges incurred in this year, per Budget Account, No. 5 - - - - - - - - - - - - - - - -	Rs. 2,84,21,035	
Further amount of Charges, omitted in the above view - - - - - -	6,65,454	
Interest - - - - - - - - - - - - - - - - -	2,39,478	
TOTAL CHARGES - -		2,93,25,967
Deficit - - -		76,46,314

SUPPLIES:

		Rs.			Rs.
From London - - -		11,80,179	To Bengal -	Rs. 14,73,285	
From Bengal -	Rs. 30,36,170		Add, Consignments to Commercial Department - -	66,842	
Add, Consignments from Commerce	5,59,174	35,95,344	Adjustment of Supplies to His Majesty's Government	70,795	
From Madras - -	52,73,766				16,10,922
Add, Consignments from Commerce	7,87,868	60,61,634	To Madras - - - -		16,55,073
From Subordinates - - -		81,745	To Commercial Department - -	19,23,270	
From Commercial Department - -	17,52,812		Add, Consignments to Bengal - -	5,59,174	
Add, Consignments from Bengal - -	66,842	18,19,654	Ditto - Madras -	7,87,868	32,70,312
					65,36,307
			Excess of Supplies received -		61,29,249
	Rs.	1,26,65,556		Rs.	1,26,65,556

DEBT:

	Rs.		Rs.
Debt incurred in the several Department - - - -	12,81,479	Debt paid off in the several Departments - - - -	3,67,606
		Excess of Debt incurred - -	9,13,873
Rs.	12,81,479	Rs.	12,81,479

Excess of Supplies received, as shown above - -	61,29,249	
Ditto of Debt incurred - - - - - - -	9,13,873	
Supplies received in aid of the Deficit - - -		70,43,122
Amount of Deficit in Excess of Supplies - - -		6,03,192
BALANCE remaining on 30th April 1821 - - Rs.		1,19,55,196

			Rs.	Rs.
BALANCE remaining on the 30th April 1821 - - - - - - - - - - - -				1,19,55,196
1821–22:				
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - - - -			2,53,84,363	
Further amount of Extraordinary Receipts, omitted in the above view - - - - - -			2,42,681	
TOTAL REVENUES - - -			2,56,27,044	
Amount of Territorial Charges incurred in this year, according to the Budget Account, No. 5 - - - - - - - - - - - - - -		Rs. 3,20,87,955		
Add, further amount of Charges, including Interest on Deposits, omitted in No. 5 - - - - - - - - - - - -	Rs. 4,96,860			
Add, Expense of Detachments employed in Persia - - - - -	12,706			
	5,09,566			
Deduct,				
For adjustment of clerical errors, which occurred in the preparation of Budget Account, No. 5 - - - - - - - - - -	1,63,765			
		3,45,801		
Interest - - - - - - - - - - - - - - -		1,64,757		
TOTAL CHARGES - - -			3,25,98,513	
Deficit - - -			69,71,469	

SUPPLIES:

	Rs.	Rs.		Rs.	Rs.
From London - -	51,35,820		To Bengal - -	2,05,75,112	
Deduct, transferred to Bengal, being the amount of Bills on the Court, in discharge of Bengal Debt - - -	38,08,000	13,27,820	Add, Consignments to Commercial Department - -	7,209	
From Bengal - -	2,14,89,418			2,05,75,112	
Add, a Transfer from London, as above	38,08,000	2,52,97,418	Deduct, Expenses of Detachment in Persia - - -	12,706	2,05,69,615
From Madras - -	29,64,818		To Madras - - - -		12,76,677
Add, Consignment from Commerce -	56,170	30,20,988	To Commercial Department - -	14,77,316	
From Subordinates - - -		7,062	Add, Consignment to Madras - - -	56,170	15,33,486
From Commercial Department - -	23,28,385				2,33,79,778
Add, Consignment from Bengal - -	7,209	23,35,594	Excess of Supplies received -		86,09,104
	Rs.	3,19,88,882		Rs.	3,19,88,882

DEBT:

	Rs.		Rs.
Debt incurred in the several Departments - - -	4,49,004	Debt paid off in the several Departments - - - -	37,18,851
Excess of Debt paid off - -	32,69,847		
Rs.	37,18,851	Rs.	37,18,851

Excess of Supplies received, as shown above - - - -	86,09,104		
Deduct, Excess of Debt paid off - - - - - -	32,69,847		
Supplies, &c. received in aid of Deficit - - -		53,39,257	
Amount of Deficit in Excess of Supplies - - -			16,32,212
BALANCE remaining on 30th April 1822 - - -		Rs.	1,03,22,984

(continued)

					Rs.	Rs.
BALANCE remaining on the 30th April 1822 - - - - - - - - -					- - -	1,03,22,984
1822–23:						
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - -					2,99,77,304	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 5 - - - - - - - - - - - -			Rs. 3,79,06,206	Rs.		
Add, Expense of Detachments employed in Persia - - -			5,357	3,79,11,563		
Interest on Deposits, omitted in ditto - - - - - - - - -				88,545		
			TOTAL CHARGES - - -		3,80,00,108	
			Deficit - - -		80,22,804	
SUPPLIES:						
	Rs.	Rs.		Rs.		
From London - -	11,21,225		To London - - - -	4,089		
Deduct, Amount of adjustments transferred to Bengal, being the amount of bills on the Court, in discharge of Bengal Debt - -	3,35,300		To Bengal - -	67,09,444		
			Deduct, Expense of Detachment in Persia - -	5,357		
		7,85,925		67,04,087		
From Bengal, including transactions on account His Majesty's Government - - -	1,58,44,276		To Madras - - - -	11,49,377		
Add, Adjustments on account of bills drawn on the Court, in re-payment of Loans -	3,35,300		To Commercial Department, including Canton -	45,47,237		
		1,61,79,576	Add, Consignment to Madras -	24,720		
From Madras -	23,47,014			45,71,957		
Add, Consignments from Commerce -	24,720					
		23,71,734		1,24,29,510		
From Subordinates - - -		68,392	Excess of Supplies received -	88,13,008		
From Commercial Department -		18,36,891				
	Rs.	2,12,42,518	Rs.	2,12,42,518		
DEBT:						
		Rs.		Rs.		
Debt incurred in the several Departments - - -		11,35,503	Debt paid off in the several Departments - - -	7,70,985		
			Excess of Debt incurred -	3,64,518		
	Rs.	11,35,503	Rs.	11,35,503		
Excess of Supplies received, as shown above - - - - -				88,13,008		
Excess of Debt incurred - - - - - - - - -				3,64,518		
Means to meet the Deficit - - - -					91,77,526	
Supplies received in Excess of the Deficit - - - -						11,54,722
BALANCE remaining on the 30th April 1823 - - Rs.						1,14,77,706

			Rs.	Rs.
BALANCE remaining on the 30th April 1823 - - - - - - - - - - -				1,14,77,706
1823–24:				
Amount of Territorial Revenues (including Receipts from the sale of Malwa Opium) realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - -			2,47,96,003	
Amount of Territorial Charges (including Disbursements on account of Malwa Opium) incurred in this year, per Budget Account, No. 5 - - - - - - - - - - - - -	Rs. 2,86,94,667	Rs.		
Add, Adjustment of Supplies on account His Majesty's Government, debited in Bengal Accounts - - - - - -	52			
		2,86,94,719		
Interest on Deposits, &c. omitted in No. 5 - - - - - - - -		1,45,363		
TOTAL CHARGES - - -			2,88,40,082	
Deficit - - -			40,44,079	

SUPPLIES:

		Rs.		Rs.
From London - -	12,59,933		To London - - - -	9,21,885
Deduct, Political Stores, included in Home Charges -	6,74,549		To Bengal - - - -	49,89,055
		5,85,384	To Madras - - - -	19,12,068
From Bengal, including transactions on account His Majesty's Government - - -		82,15,163	To Commercial Department -	24,46,254
				1,02,69,262
From Madras - - -		31,92,253		
From Commercial Department		13,61,358	Excess of Supplies received -	30,84,896
	Rs.	1,33,54,158	Rs.	1,33,54,158

DEBT:

	Rs.		Rs.
Debt incurred in the several Departments - - -	6,64,282	Debt paid off in the several Departments - - -	4,17,204
		Excess of Debt incurred -	2,47,078
Rs.	6,64,282	Rs.	6,64,282

Excess of Supplies received, as above - - - - - -	30,84,896		
Ditto of Debt incurred - - - - - - - - -	2,47,078		
Means towards meeting the Deficit - - -		33,31,974	
Amount of Deficit in Excess of Supplies, &c. received - -			7,12,105
BALANCE remaining on the 30th April 1824 - - - - Rs.			1,07,65,601

(*continued*)

			Rs.	Rs.
BALANCE remaining on the 30th April 1824 - - - - - - - -			- - -	1,07,65,601
1824–25:				
Amount of Territorial Revenue realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - -			1,58,68,593	
Amount of Territorial Charges, according to Budget Account, No. 5 - - - - - - - - - - - -	2,91,50,203			
Add, Adjustment on account Supplies to His Majesty's Government, debited in Bengal Accounts - - - - - -	2,654			
Ditto - of expense of Detachment in Persia - - - - -	55,939			
		2,92,08,796		
Interest on Deposits, &c. omitted in No. 5 - - - - - - -		1,77,719		
TOTAL CHARGES - - -			2,93,86,515	
Deficit - - -			1,35,17,922	

SUPPLIES:

	Rs.	Rs.		Rs.	Rs.
From London -	18,22,280		To London - - - -		31,870
Deduct, Political Stores included in Home Charges -	9,20,003	9,02,277	To Bengal - -	22,02,173	
From Bengal, including transactions on account His Majesty's Government -	1,01,23,029		Deduct, Expense of Detachments in Persia - -	55,939	21,46,234
Add, Adjustments on account His Majesty's Government - -	2,654		To Madras - - - -		33,13,586
Ditto, Consignment from Commercial Department	19		To Subordinates - - -		3,365
		1,01,25,702	To Commercial Department - -	24,17,438	
From Madras - - - -		47,56,203	Add, Consignment to Bengal - -	19	24,17,457
From Subordinates - - -		4,402			79,12,512
From Commercial Department -		13,60,255	Excess of Supplies received -		92,36,327
	Rs.	1,71,48,839		Rs.	1,71,48,839

DEBT:

	Rs.		Rs.
Debt incurred in the several Departments - - - -	27,01,997	Debt paid off in the several Departments - - -	10,57,995
		Excess of Debt incurred -	16,44,002
Rs.	27,01,997	Rs.	27,01,997

Excess of Supplies received, as shown above - - - - -	92,36,327		
Ditto - of Debt incurred - - - - - - - - -	16,44,002		
Means towards meeting the Deficit - - -		1,08,80,329	
Amount of Deficit in Excess of Supplies received - - -			26,37,593
BALANCE remaining on the 30th April 1825 - - - Rs.			81,28,008

					Rs.	Rs.
BALANCE remaining on the 30th April 1825 - - - - - - - - -					- - -	81,28,008
1825–26:						
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - -					2,01,10,161	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 5 - - - - - - - - - -			Rs. 3,56,17,950	Rs.		
Add, Adjustment of Supplies on Account His Majesty's Government, debited in Bengal Accounts - - - - - - -			2,875			
Ditto, Expense of Detachment in Persia - - - - -			14,527			
				3,56,34,852		
Interest on Deposits, omitted in ditto - - - - - - - - -				2,13,934		
TOTAL CHARGES - - -					3,58,48,786	
Deficit - - -					1,57,38,625	
SUPPLIES:						
	Rs.	Rs.		Rs.		
From London -	14,14,311		To London - - - -	282		
Deduct, Political Stores charged in Home Accounts	6,05,117	8,09,194	To Bengal, including transactions on account His Majesty's Government - - -	25,62,530		
From Bengal -	1,50,87,019					
Add, Adjustment of Supplies to His Majesty's Government - -	2,375	1,50,89,394	Deduct, Expense of Detachments in Persia - -	14,527		
				25,48,003		
From Madras -	51,31,357		To Madras - - - -	26,13,278		
Expense of Troops in the Dooab, included in Bombay Charges 1824–25 - -	8,30,448		To Subordinates - - -	2,562		
Ditto, 1825–26 -	8,41,727	68,03,532	To Commercial Department -	12,38,777		
				64,02,902		
From Subordinates - - -		13,743				
From Commercial Department -		5,90,281	Excess of Supplies received -	1,69,03,242		
	Rs.	2,33,06,144	Rs.	2,33,06,144		
DEBT:						
		Rs.		Rs.		
Debt incurred in the several Departments - - -		42,55,941	Debt paid off in the several Departments - - -	23,49,761		
			Excess of Debt incurred -	19,06,180		
	Rs.	42,55,941	Rs.	44,55,941		
Excess of Supplies received, as shown above - - - - -				1,69,03,242		
Ditto, of Debt incurred - - - - - - - - -				19,06,180		
Means to meet the Deficit - - - -					1,88,09,422	
Supplies, &c. received in Excess of the Deficit - - - -						30,70,797
BALANCE remaining on the 30th April 1826 - - - Rs.						1,11,98,805

	Rs.	Rs.
BALANCE remaining on the 30th April 1826 - - - - - - - - -	- - -	1,11,98,805
1826-27:		
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - -	2,30,13,182	
Add, Adjustment of Supplies to His Majesty's Government, credited in Bengal Accounts -	2,62,810	
	2,32,75,992	
Amount of Territorial Charges incurred, per Budget Account, No. 5. - - 3,53,36,985		
Add, Expense of Detachment in Persia - - - - - - - - - 40,278		
Interest on Deposits, omitted in ditto - - - - - - - - - 1,83,203		
TOTAL CHARGES - - -	3,55,60,466	
Deficit - - -	1,22,84,474	

SUPPLIES:

	Rs.	Rs.			Rs.
From London - -	17,60,199		To London - - - -		4,016
Deduct, Political Stores included in Home Charges -	8,95,226				
		8,64,973			
From Bengal, including His Majesty's Government -	1,04,47,238		To Bengal - -	19,46,684	
Add, Consignment from Commercial Department -	32,934		Add, Adjustment of Supplies to His Majesty's Government - - -	2,62,810	
		1,04,80,172		22,09,494	
			Deduct, Expense of Detachment in Persia - -	40,278	
					21,69,216
From Madras - -	83,78,682		To Madras - -	26,48,893	
Add, Expense of Troops in Dooab included in Bombay Charges -	8,04,007		Add, Consignment to Commercial Department - -	993	
		91,82,759			26,49,886
From Subordinates - - -		400	To Subordinates - - -		1,873
From Commercial Department - -	2,83,189		To Commercial Department - -	12,08,500	
Add, Consignment from Madras -	993		Add, Consignment to Bengal - -	32,934	
		2,84,182			12,41,434
					60,66,425
			Excess of Supplies received -		1,47,46,061
	Rs.	2,08,12,486		Rs.	2,08,12,486

DEBT:

	Rs.		Rs
Debt incurred in the several Departments - - -	55,32,662	Debt paid off in the several Departments - - -	48,18,166
		Excess of Debt incurred -	7,14,496
Rs.	55,32,662	Rs.	55,32,662

Excess of Supplies received, as shown above - - - -	1,47,46,061	
Ditto of Debt incurred - - - - - - - -	7,14,496	
Means to meet the Deficit - - -	1,54,60,557	
Supplies, &c. received in Excess of the Deficit - - -		31,76,083
BALANCE remaining on the 30th April 1827 - - Rs.		1,43,74,888

	Rs.	Rs.
BALANCE remaining on the 30th April 1827 - - - - - - - - - -	- - -	1,43,74,888
1827–28:		
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - - -	2,25,98,449	
Add, Adjustment of Supplies to His Majesty's Government, credited in Bengal Accounts -	3,34,041	
	2,29,32,490	
Amount of Territorial Charges incurred in this year, per Budget Account, No. 5, *Rs.* 3,58,53,128		
Expense of Detachment in Persia - - - - - - - - - - 16,525		
Add, Interest on Deposits, omitted in ditto - - - - - - - - 2,42,044		
TOTAL CHARGES - - -	3,61,11,697	
Deficit - - -	1,31,79,207	

SUPPLIES:

	Rs.	Rs.			Rs.
From London - -	22,92,503		To London - - - -		3,900
Deduct, Political Stores Charged in Home Accounts - -	11,45,090	11,47,413	To Bengal - -	21,81,600	
To Bengal -	1,90,32,580		Add, Adjustment of Supplies to His Majesty's Government - - -	3,34,041	
Ditto, on Account Deccan Prize -	6,88,425			25,15,641	
Consignment from Commerce - -	5,707	1,97,26,712	Deduct, Expense of Detachment in Persia - -	16,525	24,99,116
From Madras - - - -		39,73,388	To Madras - -	31,87,108	
From Subordinates - - -		25,899	Add, Consignment to Madras - -	13,251	32,00,359
From Commercial Department, including Canton - - -	1,68,513		To Subordinates - - -		3,965
Add, Consignment from Madras -	13,251	1,81,764	To Commercial Department - -	18,55,178	
			Add, Consignment to Bengal - -	5,707	18,60,885
					75,68,225
			Excess of Supplies received -		1,74,86,951
	Rs.	2,50,55,176		Rs.	2,50,55,176

DEBT:

	Rs.		Rs.
Debt incurred in the several Departments - - -	25,31,741	Debt paid off in the several Departments - - -	40,08,340
Excess of Debt paid off - -	21,65,024	Ditto at Bengal, on account Deccan Prize - - -	6,88,425
Rs.	46,96,765	Rs.	46,96,765

Excess of Supplies received, as shown above - - - -	1,74,86,951	
Deduct excess of Debt paid off - - - - - -	21,65,024	
Means to meet the Deficit - - - -	1,53,21,927	
Supplies received in Excess of the Deficit - - - -		21,42,720
BALANCE remaining on the 30th April 1828 - Rs.		1,65,17,608

(*continued*)

	Rs.	Rs.
BALANCE remaining on the 30th April 1828 - - - - - - - -	- - -	1,65,17,608
1828–29:		
Amount of Territorial Revenues realized in this year, according to the Annual Budget Account, No. 5, presented to Parliament - - - - - - - - - - - - -	2,07,27,130	
Add, Adjustment of Supplies to His Majesty's Government, credited in Bengal Accounts -	2,28,098	
	2,09,55,228	

		Rs.
Amount of Territorial Charges incurred, per Budget Account, No. 5 - -		3,24,69,215
Deduct, Sums merged in the Civil Charges on account Europe Stores	35,094	
Less, Expense of Detachment in Persia - - - - - -	21,052	
		14,042
		3,24,55,173
Interest - - - - - - - - - - - - - - -		2,00,865
TOTAL CHARGES - - -		3,26,56,038
Deficit - - -		1,17,00,810

SUPPLIES:

		Rs.			Rs.
From London	27,55,378		To London - - - -		10,368
Deduct, Political Stores included in Home Charges	12,40,350		To Bengal - -	23,05,486	
		15,15,028	Add, Adjustment of Supplies to His Majesty's Government - -	2,28,098	
				25,33,584	
From Bengal, including transactions on account His Majesty's Government - -		89,89,417	Deduct, Expense of Detachment in Persia - - -	21,052	
					25,12,532
From Madras - - - -		67,09,486	To Madras - -	26,07,392	
From Subordinates - -		2,548	Add, Adjustment on account Ernaud - - -	7,692	
From Commercial Department, including Canton -	85,706		Ditto, Consignment to Commerce -	1 9,515	
					26,34,599
Add, Consignment from Madras -	19,515		To Subordinates - - -		1,769
			To Commercial Department -		12,02,006
		1,05,221			63,61,274
			Excess of Supplies received -		1,09,60,426
	Rs.	1,73,21,700		Rs.	1,73,21,700

DEBT:

	Rs.		Rs.
Debt incurred in the several Departments - - - -	19,90,106	Debt paid off in the several Departments - - -	20,75,436
Excess of Debt paid off - -	85,330		
Rs.	20,75,436	Rs.	20,75,436

Excess of Supplies received, as shown above - - - -	1,09,60,426		
Deduct, Excess of Debt paid off - - - - - - -	85,330		
Supplies received in aid of the Deficit - - -		1,08,75,09	
Amount of Deficit in Excess of Supplies - - - -			8,25,714
BALANCE remaining on the 30th April 1829 - - - - Rs.			1,56,91,894

— No. 7. (D.) —

COMBINED VIEW of the CASH TRANSACTIONS of *Bengal*, *Madras* and *Bombay*; from 1814–15 to 1828–29.

— No. 7. (D.) — - - - - - - -

A SUMMARY VIEW of the CASH TRANSACTIONS of *Bengal, Madras*

	1814–15.	1815–16.	1816–17.	1817–18.	1818–19.	1819–20.
	£.	£.	£.	£.	£.	£.
Balance at the commencement of each official Year	5,548,476	6,562,294	6,663,175	7,692,472	7,119,630	8,346,569
Add, the amount of Revenues realized in each Year, per Budget Accounts presented to Parliament - - - - - - - -	17,231,191	17,168,196	18,010,023	18,305,266	19,392,004	19,172,506
Extraordinary Receipts in excess of Extraordinary Charges which were omitted in the Budget Accounts - - - - - - - -	95,026	153,420	168,091	45,816	34,008	- -
Supplies from London, exclusive of Political Stores charged in Home Accounts, in excess of Supplies thereto - - - - - - -	- -	- -	1,112,311	451,170	186,637	546,694
Balance of Supplies between the Presidencies -	128,465	- -	- -	- -	- -	- -
Debt incurred in excess of Debt discharged -	1,001,225	1,564,839	410,811	706,843	1,820,849	3,564,176
Balance of unadjusted transactions between the several Departments at Madras, stated in detail in the Madras Accounts - - - - -	- -	102,134	6,609	- -	311,846	- -
TOTAL RECEIPTS in each Year, combined with the Balance at the commencement of each Year - - - - - £.	24,004,383	25,550,883	26,371,020	27,201,567	28,864,974	31,629,945
Deduct,						
Amount of the Territorial Charges incurred in each Year, per Budget Accounts presented to Parliament - - - - - - - -	14,182,451	15,081,587	15,129,833	15,844,966	17,558,616	17,040,848
Extraordinary Charges in excess of Extraordinary Receipts, which were omitted in the Budget Accounts - - - - - - - -	- -	- -	- -	- -	- -	216,002
Interest on Debts - - - - - - -	1,510,162	1,581,563	1,710,855	1,736,601	1,667,163	1,979,994
Supplies to London in excess of Supplies therefrom	251,706	160,093	- -	- -	- -	- -
Ditto to Commerce, including Canton, ditto -	1,255,489	1,829,611	1,524,343	1,789,276	594,332	1,781,814
Balance of Supplies between the Presidencies -	- -	56,564	166,602	334,695	588,150	50,723
Supplies to the subordinate Settlements (including St. Helena) in excess of Supplies therefrom -	173,174	178,351	146,915	209,234	110,144	177,543
Debt paid off in excess of Debt incurred - -	- -	- -	- -	- -	- -	- -
Balance of unadjusted transactions between the several Departments at Madras, stated in detail in the Madras Accounts - - - - -	68,748	- -	- -	167,165	- -	239,745
TOTAL PAYMENTS - - - £.	17,441,739	18,887,769	18,678,548	20,081,937	20,518,405	21,486,669
	*6,562,653	*6,663,114				* 10,143,276
	*Ded. 359	*Add 61				Ded. 239,885
BALANCE remaining at the close of each official Year - - - - - £.	6,562,294	6,663,175	7,692,472	7,119,630	8,346,569	9,903,391

* *Red Ink* in MS.

East India House,
2 April 1832.

— No. 7. (D.) —

and *Bombay* combined; from 1814–15 to 1828–29 inclusive.

1820–21.	1821–22.	1822–23.	1823–24.	1824–25.	1825–26.	1826–27.	1827–28.	1828–29.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
9,903,391	11,176,487	11,338,128	12,576,609	8,101,837	6,897,268	7,682,046	6,940,774	7,991,491	* 5,548,476 Bal. 1 May 1814
21,292,036	21,753,273	23,120,935	21,238,623	20,705,152	21,096,966	23,327,753	22,812,147	22,691,721	307,317,792
- -	18,473	- -	- -	168,007	- -	46,994	53,767	21,440	805,042
1,443,543	- -	1,764,184	- -	1,328,136	855,778	831,676	298,950	1,279,569	10,098,648
303,765	- -	- -	637,443	341,210	137,749	- -	402,915	- -	1,951,547
- -	14,283	- -	- -	860,779	5,070,374	1,112,328	4,458,552	- -	20,585,059
59,122	- -	- -	- -	104,716	13,508	- -	11,054	- -	608,989
33,001,857	32,962,516	36,223,247	34,452,675	31,609,837	34,071,643	33,000,797	34,978,159	31,984,221	346,915,553
17,520,612	17,555,669	18,084,085	18,902,517	20,417,521	22,348,266	21,299,509	21,815,700	19,303,048	272,085,228
188,503	- -	36,424	1,540	- -	137,877	- -	- -	- -	580,346
1,909,562	1,939,362	1,694,489	1,652,018	1,460,434	1,575,688	1,747,797	1,915,330	2,071,831	26,152,849
- -	193,022	- -	452,110	- -	- -	- -	- -	- -	1,056,931
2,015,849	1,625,019	2,218,684	2,224,162	2,580,428	2,245,863	2,550,226	3,146,296	2,982,898	30,364,290
- -	6,372	928,990	- -	- -	- -	241,176	- -	70	2,373,342
152,701	193,904	258,143	172,977	254,186	81,903	176,688	109,342	152,806	2,548,011
38,143	- -	341,030	2,785,846	- -	- -	- -	- -	130,176	3,295,195
- -	111,040	84,793	159,668	- -	- -	44,627	- -	23,171	898,957
21,825,370	21,624,388	23,646,638	26,350,838	24,712,569	26,389,597	26,060,023	26,986,668	24,664,000	339,355,149
									* 7,560,404 * Ded. 240,183
11,176,487	11,338,128	12,576,609	8,101,837	6,897,268	7,682,046	6,940,774	7,991,491	7,320,221	7,320,221

For explanations of Adjustments, denoted by an asterisk *, *see* note to Bombay Abstract Statement.

(Errors excepted.)

James C. Melvill,
Aud^r Indian Acco^ts.

Appendix, No. 4.

Finances of India.

— No. 8. —

REVENUES and CHARGES of *St. Helena*, in each Year, from 1814–15 to 1828–29.

	REVENUES.	CHARGES.	NET CHARGE.
	£.	£.	£.
1814–15	1,872	93,959	92,087
1815–16 (Net Charge)	- - -	- - -	97,705
1816–17 (Net Charge)	- - -	- - -	97,705
1817–18 (Net Charge)	- -	- - -	97,705
1818–19 (Net Charge)	- - -	- - -	97,705
1819–20 (Net Charge)	- - -	- - -	97,705
1820–21 (Net Charge)	- - -	- - -	97,705
1821–22 (Net Charge)	- - -	- - -	97,705
1822–23	1,860	121,953	120,093
1823–24	3,929	116,197	112,268
1824–25	1,816	111,265	109,449
1825–26	3,015	113,428	110,413
1826–27	3,943	118,443	114,500
1827–28	3,398	123,969	120,571
1828–29	2,583	115,637	113,054
£.	22,416	914,851	
TOTAL Net Charge - - - £.			1,576,370

(Errors excepted.)

East India House, 2 April 1832.

(signed) *James C. Melvill*, Auditor India Acc^ts.

— No. 9. —

STATEMENT of the Amount of POLITICAL CHARGES incurred in *England*, deemed chargeable on the Territorial Revenues of *India*; from 1814–15 to 1828–29.

	Cost of all Political Stores exported to Bengal, Madras and Bombay.	Other Territorial Payments.	TOTAL.
	£.	£.	£.
1814–15	405,238	1,200,415	1,605,653
1815–16	363,496	1,254,403	1,617,899
1816–17	497,203	1,119,914	1,617,117
1817–18	275,039	1,149,326	1,424,365
1818–19	312,181	1,211,923	1,524,104
1819–20	371,412	1,234,655	1,606,067
1820–21	364,714	1,130,794	1,495,508
1821–22	321,371	1,248,983	1,570,354
1822–23	365,764	1,420,334 1,300,000	1,786,098 1,300,000
1823–24	395,276	891,973	1,287,249
1824–25	414,181	1,236,892	1,651,073
1825–26	740,728	1,076,504	1,817,232
1826–27	1,111,792	1,318,102	2,429,894
1827–28	805,016	1,255,125	2,060,141
1828–29	449,603	1,517,802	1,967,405
	7,193,014		
Stores supplied to the Subordinates, as per annexed Statement - -	102,578		
Stores sent from China and the Cape, as per annexed Statement - -	22,270		
£.	7,317,862	19,567,145	26,885,007

STATEMENTS referred to in No. 9.

COST of all CONSIGNMENTS sent from *England* to *Bencoolen, Prince of Wales Island,* and *Singapore* and *Malacca.*

	BENCOOLEN.			PRINCE of WALES ISLAND.			SINGAPORE and MALACCA.			TOTAL.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
1814–15 - -	5,599	–	9	22,061	12	8	-	-	-	27,660	13	5
1815–16 - -	6,183	11	10	-	-	-	-	-	-	6,183	11	10
1816–17 - -	3,629	18	7	7,314	13	4	-	-	-	10,944	11	11
1817–18 - -	1,351	8	4	1,915	4	4	-	-	-	3,266	12	8
1818–19 - -	1,030	17	11	812	7	5	-	-	-	1,843	5	4
1819–20 - -	-	-	-	1,544	19	6	-	-	-	1,544	19	6
1820–21 - -	385	4	10	-	-	-	-	-	-	385	4	10
1821–22 - -	1,271	13	5	6,081	11	–	-	-	-	7,353	4	5
1822–23 - -	1,586	12	10	4,111	2	7	-	-	-	5,697	15	5
1823–24 - -	8,215	–	10	-	-	-	-	-	-	8,215	–	10
1824–25 - -	-	-	-	3,755	19	5	-	-	-	3,755	19	5
1825–26 - -	-	-	-	7,531	6	2	1,798	2	9	9,329	8	11
1826–27 - -	-	-	-	9,500	3	10	-	-	-	9,500	3	10
1827–28 - -	-	-	-	3,064	4	9	-	-	-	3,064	4	9
1828–29 - -	-	-	-	3,833	1	1	-	-	-	3,833	1	1
£.	29,253	9	4	71,526	6	1	1,798	2	9	102,577	18	2

AMOUNT of TERRITORIAL STORES Exported from *China* and the *Cape* to *India*; 1814–15 to 1828–29.

	£.	£.
1814–15 - - - - - - - -	—	
1815–16 - - - - - - - -	2,016	
1816–17 - - - - - - - -	—	
1817–18 - - - - - - - -	1,186	
1818–19 - - - - - - - -	1,230	
1819–20 - - - - - - - -	—	
1820–21 - - - - - - - -	—	
1821–22 - - - - - - - -	1,322	
1822–23 - - - - - - - -	—	
1823–24 - - - - - - - -	—	
1824–25 - - - - - - - -	1,246	
1825–26 - - - - - - - -	—	
1826–27 - - - - - - - -	2,833	
1827–28 - - - - - - - -	1,387	
1828–29 - - - - - - - -	11,050	
		22,270

Included in continuation of the Account between the two Branches for the year 1829–30.

(Errors excepted.)

East India House, 2 April 1832.

(signed) *James C. Melvill,* Auditor India Acc^ts.

Appendix, No. 5.

Appendix, No. 5.

Extract Letter from Accountant-general to Government of Bengal; 15 June 1831.

EXTRACT LETTER from the Accountant-general at *Bengal* to the Government of *Bengal*; dated 15th June 1831.

THE following Statement of the Actual Charges of the year 1829–30, contrasted with those of 1823–24, is framed upon the principle laid down in the 14th paragraph of the Honourable Court's Despatch, under date 12th December 1827; from which it will appear that, in order to regain the level of the Expenditure of the year 1823–24, prescribed by the Honourable Court as the scale by which the Charges of the Government should be regulated, Your Honourable Vice President in Council will have to effect farther reduction of Charges to the extent of about 80 lacs of rupees.

STATEMENT:

—		1823–24.	1829–30.	1823–24.	1829–30.
BENGAL:					
Civil Charges exclusive of Europe Stores, as per Court's Letter, *S.Rs.* 3,93,77,602					
Deduct, Scindiah's horse, not included in 1829–30, that being provided for by Scindiah's Government -	8,83,263				
		3,84,94,339	3,79,51,742		
Interest - - - - - - -		1,26,36,985	1,53,48,508		
				5,11,31,324	5,33,00,250
Military ditto, omitting Sums disbursed on account of Burmah War - -		- - -	- - -	3,60,69,658	3,57,18,774
MADRAS:					
Civil Charges, ditto - ditto -	*M.Rs.*	1,78,00,919	1,84,80,127		
Interest - - - - - -		14,85,534	19,17,833		
				1,92,86,453	2,03,97,960
Military ditto - - - - -		- - -	- - -	2,67,22,851	2,82,47,691
BOMBAY:					
Civil Charges, ditto - ditto	*B.Rs.* 1,20,81,756				
Add, Village Charges, which formerly were collected and disbursed without being brought to account - -	15,11,668				
		1,35,93,424	1,59,61,176		
Interest - - - - - -		1,45,363	1,87,865		
				1,37,38,787	1,61,49,041
Military ditto - - - - -		- - -	- - -	1,44,44,002	1,56,52,422
			Rupees - - -	16,13,93,075	16,94,66,138

Appendix, No. 6.

Appendix, No. 6.

Reductions of Indian Charges.

STATEMENT showing the estimated Effect subsequently to the Year 1829-30 of the REDUCTIONS which have been ordered in the CHARGES of *India*, and the Amount of the further Reductions necessary to reduce those Charges to the standard of those of the Year 1823-24.

BENGAL:			
The additional effect after 1829-30 of the Reductions in progress is estimated at - - - - - - - - - - *S. Rs.*		48,50,000	
But under several heads the full amount of Charge is not included in 1829-30. If included, it is estimated that the Charges would be increased by - - - *Rs.*	* 53,00,000		
And the Prospective Estimate for 1834 assumes a higher interest on the debt than in 1829-30 by - - -	22,19,193		
	75,19,193		
From which deduct some extraordinary Charges in that year, which will not recur, amounting to - - -	9,63,643		
And the amount in which the net Charge in 1829-30 is less than is estimated for future years, will be - - - - - - - -		65,55,550	
Hence the further reductions at Bengal will be less than equivalent to the additional Charge by - - - - - - - - -		17,05,550	or £. 197,844
MADRAS:			
The additional effect after 1829-30 of the Reductions in progress, is estimated at - - - - - *Rs.*	25,00,000		
The Prospective Estimate for 1834 states the interest in future years at a higher amount by	2,25,000		
And the Charge of liquidating the Tanjore debts must be added - - - -	6,39,720		
	8,64,720		
Hence the further Reductions at Madras will exceed the additional Charge by - - - - - - -	16,35,280	or £. 186,889	
BOMBAY:			
The additional effect after 1829-30 of the Reductions in progress is estimated at - - - - - - -	26,50,000	or £. 298,125	
Net effect of further reductions at Madras and Bombay - - - - - £.			485,014
From which deducting the result at Bengal, the net effect of further Reductions in all India will be - - - - - - - - - - - - - - - £.			287,170
Hence, of the further reduction required to bring the Charge of 1829-30 to the standard of 1823-24, as shown by the Accountant-general of Bengal, viz. *Rs.* 80,73,063			919,290
The estimated additional improvement requisite, when all the Reductions of Charge now in progress are carried into full effect, will be - - - - - - £.			632,120

India Board,
8 June 1832.

(Errors excepted.)

Wm. Leach.

* Arrears of Civil Allowances - - - - - - -	*Rs.* 25,00,000
Ditto of Pensions and Stipends - - - - - - -	14,00,000
Extraordinary Civil Charges less than usual in 1829-30 - - -	4,00,000
Ditto - - Military ditto - - - - - - - - -	10,00,000
	S.Rs. 53,00,000

Appendix, No. 7.

Reductions of Indian Allowances and Establishments.

Appendix, No. 7.

STATEMENT of the REDUCTIONS of INDIAN ALLOWANCES and ESTABLISHMENTS (Civil, Marine and Military), ordered by the Court and the several Local Governments since the close of the Year 1827–28; distinguishing (as far as can be done) such as were to have immediate, from those which it was intended should have only prospective effect:—And a further STATEMENT, showing the estimated effect of certain Measures of Reduction which have been recommended by the late Calcutta Civil Finance Committee; but which have been either rejected, or are still under consideration.

CIVIL REDUCTIONS.

BENGAL PRESIDENCY.

MEASURES OF REDUCTION.	ESTIMATED AMOUNT of Reductions actually Ordered.			Reductions Ordered at the recommendation of the Finance Committee, and included in the preceding Columns.	Further Reductions recommended by the Committee, but either rejected or still under consideration.
	Immediate.	Prospective.	Total.		
GENERAL DEPARTMENT: (including POLITICAL.)	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
Reductions made on the occasion of filling up the appointments of Postmaster-general, Mintmaster and Superintendent of Stamps - -	30,000	16,000	46,000		
Ditto, in Post-office establishments -	34,840	- -	34,840		
Ditto, in Mint and Assay-office establishments - - - - -	57,660	- -	57,660		
Ditto, in other subordinate establishments - - - - -	14,400	- -	14,400		
Ditto, in the offices of Account, Pay and Audit - - - - - -	9,200	7,300	16,500	16,500	
Discontinuance of the Allowance of 100 rupees per month to Civil Assistant Surgeons - - - - -	60,000	- -	60,000		
Expenses of the Telegraphic Establishments, the Mineralogical Survey and the Shakspearian Bridges, discontinued - - - - -	66,500	- -	66,500		
Reductions in the College and Botanical Garden, and office of Superintendent of Hindoo Researches, abolished - - - - - -	79,400	- -	79,400	79,400	
Ditto, in the Vaccine establishments	49,600	- -	49,600		
Modification of the office of Commissioner on the Tenasserim Coast -	88,300	- -	88,300		
Reductions in the Salaries of Residents	74,300	- -	74,300		
Agencies at Baugur, Kanthul and Bhopawar, abolished - - -	43,300	- -	43,300		
Reduction in the establishment of the Persian Mission - - -	38,000	- -	38,000		
Establishments attached to Political Agencies and Residencies - -	56,900	- -	56,900		
Office of Agent at Moorshedabad, and Second and Military Assistantships to the Nagpore and Hydrabad Residencies, abolished - -	31,900	- -	31,900	31,900	
2d Assistant at Gwalior to be abolished	- -	7,200	7,200	7,200	
Miscellaneous items - - - -	35,000	- -	35,000		
Modification of the Secretariat -	35,500	1,10,520	1,46,020	1,46,020	1,68,000
Reductions proposed in the Ecclesiastical establishments - - -	- -	- -	- -	- -	84,100
Deputy Postmasterships recommended to be abolished - - - - -	- -	- -	- -	- -	28,900
Agencies at Jyepore, Loodiana, Oydepore, &c., and Third and Extra Assistantships to the Indore Residency, proposed to be abolished -	- -	- -	- -	- -	1,38,900
Proposed Reductions in the establishment of the Seharunpore Garden, and of the Taj Mehal at Agra, and in the Charge on account of Teak Plantations - - -	- -	- -	- -	- -	7,250
TOTAL General Department, including Political - - -	8,04,800	1,41,020	9,45,820	2,81,020	4,27,150

MEASURES OF REDUCTION.	ESTIMATED AMOUNT of Reductions actually Ordered.			Reductions Ordered at the recommendation of the Finance Committee, and included in the preceding Columns.	Further Reductions recommended by the Committee, but either rejected or still under consideration.
	Immediate.	Prospective.	Total.		
JUDICIAL DEPARTMENT:	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
Office of Superintendent and Remembrancer of Legal Affairs abolished	3,400	18,700	22,100	22,100	
Reduction in the salary of the Superintendent of Deyra Doon - -	12,000	- -	12,000		
Ditto, in the establishment of the Court of Requests - - -	4,850	- -	4,850		
Ditto, of the establishments of Zillah and other Courts - - -	1,15,000	- -	1,15,000		
Ditto of Police establishments -	1,15,280	- -	1,15,280		
Miscellaneous items - - -	3,230	- -	3,230		
TOTAL Judicial Department	2,53,760	18,700	2,72,460		
Deduct, Amount of various additions to Allowances, &c. in this Department, authorized since 1st May 1828 - - - - - -	1,17,140	- -	1,17,140		
TOTAL Net Reductions in the Judicial Department - -	1,36,620	18,700	1,55,320	22,100	
REVENUE DEPARTMENT: (including CUSTOMS, &c.)					
Abolition of Record Committees -	59,160	- -	59,160	59,160	
Ditto of Boards of Revenue - -	49,080	- -	49,080		
Ditto of the Mofussil Special Commission - - - - - -	1,25,500	- -	1,25,500		
Reduction of subordinate Revenue establishments - - - -	2,32,000	- -	2,32,000		
Additional offices abolished by Government Resolution of December 1828 - - - - - -	- -	1,16,560	1,16,560		
Abolition of the office of Commissioner in the Sunderbunds - -	- -	- -	- -	- -	59,120
Miscellaneous items - - -	22,060	- -	22,060		
TOTAL Revenue Department	4,87,800	1,16,560	6,04,360		
Deduct, Amount of various additions to Allowances, &c. in this Department, authorized since 1st May 1828, &c. - - - - - -	1,79,330	- -	1,79,330		
TOTAL Net Reduction in the Revenue Department - -	3,08,470	1,16,560	4,25,030	59,160	59,120
JUDICIAL and REVENUE DEPARTMENTS Combined.					
Proposed Abolition of Provincial Courts of Appeal - - -	- -	- -	- -	- -	6,73,000
Proposed Modification of Judicial and Revenue establishments -	- -	- -	- -	- -	10,59,840
TOTAL - - -	- -	- -	- -	- -	17,32,840
Deduct, Proposed addition to the establishment of the Sudder Adawlut - - - - - - - -				1,70,000	
Ditto, Ditto, to the Salaries of Native Judges - -				3,07,500	
					4,77,500
NET SAVING from the proposed Judicial and Revenue Arrangements - - - - - - -					12,55,340

(*continued*)

MEASURES OF REDUCTION.	ESTIMATED AMOUNT Of Reductions actually Ordered.			Reductions Ordered at the recommendation of the Finance Committee, and included in the preceding Columns.	Further Reductions recommended by the Committee, but either rejected or still under consideration.
	Immediate.	Prospective.	Total.		
CIVIL DEPARTMENTS generally:	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
Ultimate Saving by the general revision of Civil Allowances, exclusive of items separately stated -	- -	4,30,000	4,30,000		
MARINE DEPARTMENT:					
Reductions in the Crews of Boats and Vessels, including the Survey establishment - - - - -	2,15,130	- -	2,15,130		
Further Reductions proposed by the Civil Finance Committee - -	1,01,890	1,04,790	2,06,680	2,06,680	65,450
TOTAL Marine Department -	3,17,020	1,04,790	4,21,810	2,06,680	65,450

MADRAS PRESIDENCY:

GENERAL DEPARTMENT: (including POLITICAL.)	*Madras Rs.*	*Madras Rs.*	*Madras Rs.*	*Madras Rs.*	*Madras Rs.*
Reductions ordered in various subordinate establishments - - -	68,422	- -	68,422		
Abolition of the office of Superintendent of Civil Pensions - - -	6,000	- -	6,000	6,000	
Abolition of the appointment of Junior Deputy Accountant-general, and consolidation of the offices of Civil Auditor and Secretary, &c. to the Government Bank - -	14,700	27,100	41,800	41,800	
Reductions in the establishment of the Accountant-general's office -	10,000	- -	10,000	10,000	11,200
Consolidation of the offices of Mintmaster and Superintendent of Stamps	- -	8,300	8,300	8,300	
Discontinuance of the office of the Mintmaster's Assayer, and Secretary to the Mint Committee - -	- -	15,900	15,900	15,900	
Proposed abolition of the office of Additional Government Commissioner for Claims withdrawn from the Carnatic Fund - - -	This office was actually abolished by the Madras Government in September 1830; but the Tanjore Commissioners at home and abroad having made remonstrances against the measure as being directly calculated to delay the business of that Commission, the Court, in a despatch to Madras, dated 13th April 1831, authorized the Government to revive the appointment, and information has since been received from Madras that a proceeding of that kind was also in their contemplation - - - - - -				37,230
Abolition of the appointment of Mahratta Vakeel at Madras - -	9,000	- -	9,000	9,000	
Reduction in the allowances of the Mysore Resident - - -	43,770	- -	43,770		
Office of Assistant to the Mysore Resident abolished - - - -	9,660	- -	9,660	9,660	
Second Secretaryship to the College abolished - - - - -	4,200	- -	4,200	4,200	
Discontinuance of the establishment attached to the Carnatic Commissioners, one half only of which was chargeable to the Company, 16,000 rupees - - - - -	8,000	- -	8,000		
Reduction in the Secretariat - -	- -	17,650	17,650	17,650	
Proposed reductions of the Salaries of the Translators to Government, and abolition of the Deputy Translatorships - - - - - -	- -	- -	- -	- -	33,000

MEASURES OF REDUCTION.	ESTIMATED AMOUNT Of Reductions actually Ordered.			Reductions Ordered at the recommendation of the Finance Committee, and included in the preceding Columns.	Further Reductions recommended by the Committee, but either rejected or still under consideration.
	Immediate.	Prospective.	Total.		
General Department—*continued.*	*Madras Rs.*	*Madras Rs.*	*Madras Rs.*	*Madras Rs.*	*Madras Rs.*
Abolition of the establishment attached to the Government Agent at Chepauk - - - -	- -	- -	- -	- -	5,200
Reductions proposed in the Ecclesiastical establishment - - -	- -	- -	- -	- -	46,330
TOTAL General Department -	1,73,752	68,950	2,42,702	1,22,510	1,32,960
JUDICIAL DEPARTMENT:					
Reductions ordered in various subordinate establishments - - -	9,700	- -	9,700		
Discontinuance of the third Judge of the Sudder Adawlut - - -	- -	49,000	49,000	49,000	
Abolition of the Deputy Registrarship of the Sudder Adawlut recommended - - - - - -	- -	- -	- -	- -	10,500
Proposed abolition of the Zillah Court of Guntoor - - - - -	- -	- -	- -	- -	63,050
Substitution of seven Provincial Judges for four Provincial Courts - -	- -	2,54,200	2,54,200	2,54,200	
Ditto of Sudder Aumeens for Provincial and Zillah Registrars - -	- -	28,800	28,000	27,360	
Ditto of Talook Moonsifs for Hindoo and Mohamedan Law Officers -	- -	34,020	34,020		
TOTAL Judicial Department -	9,700	3,66,020	3,75,720	3,30,560	73,550
REVENUE DEPARTMENT: (including CUSTOMS, &c.)					
Reductions in the various subordinate establishments - - -	2,45,330	- -	2,45,330		
Office of Assistant Collector of Sea Customs at Madras abolished -	10,000	- -	10,000	10,000	
Reductions in the Salaries of the Collector and Deputy Collector of Madras, ordered by the Court -	8,000	2,000	10,000		
Discontinuance of the separate Allowance to the Superintendent of Stationery, ordered by the Court -	4,200	- -	4,200	-	
Office of fourth Member of the Board of Revenue proposed to be discontinued - - - - - -	- -	35,000	35,000	35,000	
Additional Sub-collectorships in Canara, Cuddapah and Tanjore, with the establishments attached, recommended to be abolished -	20,000	- -	20,000	20,000	46,000
Abolition of extra and three Assistant Civil Engineerships proposed -	- -	- -	- -	- -	21,390
	2,87,530	37,000	3,24,530		
Deduct, Increase of Salaries to Members of the Board of Revenue, sanctioned since 1st May 1828 - -	9,600	- -	9,600		
TOTAL Revenue Department -	2,77,930	37,000	3,14,930	65,000	67,390
MARINE DEPARTMENT:					
Reduction in the Salary of the Master Attendant and office of Deputy Master Attendant to be abolished -	3,600	27,480	31,080	31,080	

Appendix, No. 7.

Reductions of Indian Allowances and Establishments.

BOMBAY PRESIDENCY.

MEASURES OF REDUCTION.	ESTIMATED AMOUNT of Reductions actually Ordered.			Reductions Ordered at the recommendation of the Finance Committee, and included in the preceding Columns.	Further Reductions recommended by the Committee, but either rejected or still under consideration.
	Immediate.	Prospective.	Total.		
	Bombay Rs.	*Bombay Rs.*	*Bombay Rs.*	*Bombay Rs.*	*Bombay Rs.*
GENERAL DEPARTMENT: (including POLITICAL.)					
Discontinuance of the Observatory -	9,300	- -	9,300	9,300	
Office of Statistical Reporter abolished	9,200	- -	9,200	9,200	
Proposed Saving in the departments of Account, Pay and Audit at the Presidency - - - -	4,690	6,300	10,990	6,000	9,400
Reduction in the Governor's Household establishment, ordered by the Court - - - - -	9,300	- -	9,300	9,300	6,000
Appointments of Assistants to the Members of Council abolished -	2,160	- -	2,160	2,160	
Reductions in the Secretariat department - - - - -	6,060	- -	6,060	6,060	14,990
Ditto in the establishment of the Persian office - - - -	2,208	2,700	4,908	4,440	
Engineer Institution proposed to be abolished - - - - -	3,600	- -	3,600	3,600	32,150
Proposed abolition of the Lithographic Press - - - -	11,880	- -	11,880	11,880	40,680
Salary and establishments of the Secretary to the Committee for Examining Junior Civil Servants, discontinued - - - -	15,260	- -	15,260		
Abolition of the appointments of Bheel Agents and their establishments - - - - -	2,800	- -	2,800	- -	6,590
Agency for the purchase of Timber in Malabar abolished - - -	10,440	- -	10,440		
Miscellaneous items of reduction proposed - - - - -	- -	- -	- -	- -	33,500
Office of Assistant Civil Surgeon at the Presidency abolished - -	1,440	- -	1,440	1,440	
Reductions in various subordinate establishments - - - -	38,260	2,100	40,360		
Proposed consolidation, &c. of Political Residencies and Agencies -	- -	- -	- -	- -	2,41,000
Proposed modifications and reductions in the Post-office and Medical departments - - -	- -	- -	- -	- -	74,400
Reductions proposed in the Ecclesiastical establishment - -	- -	- -	- -	- -	37,170
TOTAL General Department, (including Political) - -	1,26,598	11,100	1,37,698	63,380	4,95,880
JUDICIAL DEPARTMENT:					
Reductions in various subordinate establishments, (including the Stamp department) - - -	1,42,930	1,800	1,44,730		
Reductions proposed in the Agency for Sirdars in the Deccan - -	- -	- -	- -	- -	29,430
Proposed abolition of the King's Supreme Court at Bombay, and substitution of the former Recorder's Court - - - -	- -	- -	- -	- -	1,25,900
Proposed abolition of the Provincial Court of Appeal and Circuit -	- -	- -	- -	- -	1,32,960
Other proposed Reductions - -	- -	- -	- -	- -	1,26,930
					4,15,220
Deduct, certain proposed Additions to Salaries and Establishments -	- -	- -	- -	- -	1,21,600
TOTAL Judicial Department -	1,42,930	1,800	1,44,730	- -	2,93,620

MEASURES OF REDUCTION.	ESTIMATED AMOUNT of Reductions actually Ordered.			Reductions Ordered at the recommendation of the Finance Committee, and included in the preceding Columns.	Further Reductions recommended by the Committee, but either rejected or still under consideration
	Immediate.	Prospective.	Total.		
REVENUE DEPARTMENT: (including CUSTOMS, &c.)	*Bombay Rs.*	*Bombay Rs.*	*Bombay Rs.*	*Bombay Rs.*	*Bombay Rs.*
Reductions in various subordinate establishments - - - -	1,90,270	- -	1,90,270		
Abolition of the Revenue Survey, and Assessment establishment in the Deccan - - - - -	- -	1,50,000	1,50,000	1,50,000	
Proposed Reductions of Offices and Allowances - - - -	- -	- -	- -	- -	2,37,750
TOTAL Revenue Department, including Customs, &c. -	1,90,270	1,50,000	3,40,270	1,50,000	2,37,750
CIVIL DEPARTMENT generally:					
General Revision of the Allowances of covenanted Civil Servants, Consolidation of Offices, &c. - -	- -	3,30,000	3,30,000		
MARINE:					
Proposed Reduction of the Indian Navy - - - - -	- -	- -	- -	- -	6,91,000
PENANG, SINGAPORE and MALACCA:					
The separate Government of these Settlements ordered by the Court to be abolished from 1st May 1830, and various Offices, Allowances and Establishments reduced -	*Sicca Rupees.* 3,75,000	*Sicca Rupees.* 75,000	*Sicca Rupees.* 4,50,000		

SUMMARY of CIVIL and MARINE REDUCTIONS.

—	Immediate.	Prospective.	TOTAL.	Ordered at the recommendation of the Finance Committee, and included in the preceding Columns.	Further Reductions recommended by the Committee, but either rejected or still under consideration.
BENGAL - - - - - -	*Sicca Rupees.* 15,66,910	*Sicca Rupees.* 8,11,070	*Sicca Rupees.* 23,77,980	*Sicca Rupees.* 5,68,960	*Sicca Rupees.* 18,07,060
MADRAS - - - - - -	*Madras Rs.* [4,64,982]	*Madras Rs.* [4,99,450]	*Madras Rs.* [9,64,432]	*Madras Rs.* [5,49,150]	*Madras Rs.* [2,73,900]
at 106.62 Madras to 100 Sicca Rupees - -	4,36,111	4,68,439	9,04,550	5,15,053	2,56,893
BOMBAY - - - - - -	*Bombay Rs.* [4,59,798]	*Bombay Rs.* [4,92,900]	*Bombay Rs.* [9,52,698]	*Bombay Rs.* [2,13,380]	*Bombay Rs.* [17,18,250]
at 106.62 Bombay to 100 Sicca Rupees - -	4,31,249	4,62,296	8,93,545	2,00,131	16,11,564
PENANG, SINGAPORE and MALACCA	3,75,000	75,000	4,50,000		
GRAND TOTAL - - *Sicca Rupees*	28,09,270	*18,16,805	46,26,075	12,84,144	36,75,517

* *Note.*—Many of the *prospective* reductions in the Civil Departments are dependent upon contingencies very remote.

The Figures between [ ] are in Red Ink in the MS.

Appendix, No. 7.

Reductions of Indian Allowances and Establishments.

MILITARY REDUCTIONS.

	Estimated Amount of Reductions actually Ordered.
BENGAL:	*Sonaut Rupees.*
Reduction of 80 men from each of the 10 regiments of cavalry	2,56,714
Ditto, of 100 men from each of the 74 regiments of regular infantry	6,99,300
Two guns withdrawn from each of the 12 light field batteries	43,659
Magazines at Dacca and Bareilly abolished	16,874
Military allowances of officers in the service of Native Powers withdrawn	76,310
Reduction in the arsenal of Fort William	10,734
Reductions in the establishment of warrant officers	55,315
Allowance of quartermaster's carts abolished	60,480
Salary of the Military Secretary to the Commander-in-Chief reduced	10,849
The five privileged stations reduced to half-batta stations	1,98,547
Reduction in the number of army cattle	1,65,047
The Sanatarium discontinued	14,574
Reduction of two troops from each of the 10 regiments of Native cavalry; ordered by the Court	2,40,017
Ditto, of two companies from each of the 74 regiments of infantry; ordered by ditto	9,75,912
Ditto, of the establishment of subaltern officers belonging to the European infantry, and the horse and foot artillery; ordered by ditto	1,17,230
Reductions in the Barrack department	30,285
The Benares, Purneah, and Orissa provincial corps, disbanded	2,83,800
Sixth, seventh and eighth regiments of irregular horse, ditto	6,28,242
Establishments of army carriage cattle further reduced	2,88,247
Timber agency at Nauthpore, and timber depôt at Balloo Ghaut, discontinued	20,988
Various reductions in the department of Public Works	41,034
The two corps of European infantry incorporated into one regiment	1,14,334
Reduction of the Calcutta Native militia	70,491
Further reductions in the Ordnance department	12,738
Second Nusseree battalion disbanded	85,000
Artillery riding-school at Dum Dum abolished	22,000
Appointment of regulating officer of invalid thannahs to be abolished	31,536
First and second battalions of Native invalids broken up	1,40,000
Escort with the resident at Nypal reduced to one company	16,338
Two artillery division commands abolished	13,848
Moorshedabad provincial battalion disbanded	1,00,000
Lock hospitals abolished	30,000
Appointment of garrison storekeeper of Fort William consolidated with that of executive commissariat officer at the Presidency	12,000
Corps of Bhaugulpore hill rangers reduced	15,000
Seharunpore provincial battalion disbanded	80,000
Ramghur local battalion reduced	33,000
Establishment of doolee bearers reduced	34,000
Further probable saving by the disbandment of provincial battalions, and substition of burkundauzes in their stead	2,00,000
Bullocks substituted for horses in three batteries of field artillery	34,000
Depôt for King's troops at Chinsurah abolished	20,000
Revision of establishments in the Ordnance department	50,000
Various minor reductions	1,09,000
	54,57,643
Deduct, Amount of various additions to Establishments and Allowances, authorized since 1st May 1828	1,75,800
TOTAL Net Reduction	52,81,843
or, *Sicca Rupees*	50,54,063

MADRAS:	Estimated Amount of Reductions actually Ordered.
	Madras Rupees.
Reduction of the light cavalry to 50 privates per troop	3,20,000
Ditto, in the establishment of the gun-carriage manufactory, and by short issues of gunpowder	50,000
Saving in the hire of carriage bullocks	20,640
Further reduction in the light cavalry	16,716
Expense of the field equipments of the different divisions of the army reduced	1,50,000
The two extra regiments of Native infantry reduced	1,04,190
Number of saddles with the light cavalry reduced, and short issues of grain to horses	35,300
Reductions at Penang, and on the Tenasserim coast	1,06,000
Reduction of two troops from each regiment of Native cavalry; ordered by the Court	2,39,000
Ditto, of two companies from each regiment of Native infantry; ordered by ditto	7,20,900
Light field force at Kulladgee broken up	2,27,000
The two European regiments formed into one	1,05,000
Seringapatam local battallion reduced	70,000
Formation of the rifle corps into one of the regiments of the line	1,40,000
Appointments of Persian interpreters to the Hydrabad, Nagpore and Jaulnah forces, to be abolished	12,500
Abolition of various staff appointments	16,760
Corps of guides reduced	6,300
Reduction in the horse artillery	2,50,000
Reduction of the number of draught cattle	1,50,000
Veteran battalions reduced	1,00,000
The pioneers reduced	70,000
Reductions in the Medical department	12,500
TOTAL Reduction - - *Madras Rupees*	29,22,806
or, *Sicca Rupees*	27,41,330

BOMBAY:	
	Bombay Rupees.
Field allowances to the troops at Mhow struck off	2,10,000
Regimental allowances of officers in the service of Native Princes, ditto	9,300
The light battalion at Poonah, broken up	6,744
Each regiment of Native cavalry reduced to 50 privates per troop	2,55,000
Reductions in the Native infantry	5,45,000
Evacuation of Mhow by the Bombay troops	3,00,000
New scale of allowances fixed for medical officers regimentally employed	60,000
Situation of troop quartermasters of horse artillery abolished	7,900
Two troops reduced from each regiment of Native cavalry, and two companies from each regiment of regular infantry, as ordered by the Court	6,80,000
Saving in office rent	17,460
Office of inspector of hill forts in the Deccan abolished	6,280
The horse artillery reduced	98,000
Establishment of horses and mules employed with the foot artillery at Poonah and Baroda	40,000
Reductions in the European infantry, ordered by the Court	1,28,000
The surveys in the Deccan and Southern Concan discontinued	38,000
Battalion of Native invalids re-organized	8,352
The issue of blank ammunition reduced	27,000
Reductions in the 1st battalion of the foot artillery	41,000
The two extra battalions disbanded	2,00,000
Officers of European corps placed on half tent allowance	70,000
The two European regiments incorporated into one	1,12,000
The Military Board discontinued	8,868
Reductions in the pay of dooley bearers and other commissariat followers	10,400
Pay of tent and store lascars reduced, &c.	15,000
Rates of clothing stoppages equalized with those of Bengal	27,000
Reductions in the Commissariat	28,350
The garrison of Broach discontinued	13,000
Further saving in office rent	13,200
Carried forward	29,75,854

Appendix, No. 7.

Reductions of Indian Allowances and Establishments.

BOMBAY—*continued.*	Estimated Amount of Reductions actually Ordered.
	Bombay Rupees.
Brought forward - - -	29,75,854
Regimental allowances struck off from King's officers on the staff not borne on the establishment of regiments - - - - - -	10,430
Grain rations for horses reduced - - - - - - - -	45,000
Batta struck off at the frontier stations of Deesa and Bhooj (European officers excepted) - - - - - - - - - - - -	1,80,000
The situation of executive engineer abolished at eight stations - - -	55,530
The battalion of Native invalids broken up - - - - - -	70,000
An immediate reduction of 15 per cent., and a further prospective reduction of 5 per cent. ordered to be made in the amount of all office establishments - - - - - - - - - - - - -	60,000
The pioneer corps reduced to six companies - - - - - -	20,000
The office of inspecting engineer at the Presidency abolished - - -	14,800
Re-organization of the Ordnance department - - - -	54,000
Corps of tent lascars reduced - - - - - - - -	14,000
Various minor reductions of allowances and establishments - - -	1,40,965
	36,40,579
Deduct, Amount of various additions to Allowances and Establishments authorized since 1st May 1828 - - - - - -	3,15,694
TOTAL Net Reduction - - *Bombay Rupees*	33,24,885
or, *Sicca Rupees*	31,18,444

SUMMARY OF MILITARY REDUCTIONS.

	Estimated Amount of Reductions actually Ordered.
	Sicca Rupees.
BENGAL - - - - - - - -	50,54,063
MADRAS - - - - - - - -	27,41,330
BOMBAY - - - - - - - -	31,18,444
GRAND TOTAL - - *Sicca Rupees*	1,09,13,837

Note.—Almost the only Military Reductions which (strictly speaking) can be called *immediate* are those made in the irregular Forces and Establishments. In the regular Army the reductions take place as the supernumeraries are removed by death or other casualties, a process which in general is completed within three or four years

(Errors excepted.)

East India House, 22d Feb. 1832.

James C. Melvill,
Aud^r of India Acct^s.

Appendix, No. 8.

Appendix, No. 8.

Settlement of Accounts between the Public and East India Company, in 1822.

COPY of TREASURY MINUTES, CORRESPONDENCE, &c. relative to the Settlement of the Accounts between the Public and the East India Company, in 1822.

Copy TREASURY MINUTE, 28 May 1822.

THE Earl of Liverpool and the Chancellor of the Exchequer call the attention of the Board to their Minute of the 13th July 1821, appointing Viscount Lowther, Sir George Clerk and Mr. Lushington, on the part of His Majesty's Government, to meet two gentlemen to be appointed by the East India Company, for the purpose of adjusting the whole of the outstanding accounts between the Public and the Company; and to the letter of the Secretary of the East India Company, dated the 18th of the same month, stating the appointment of Jacob Bosanquet, Esq. and George Abercrombie Robinson, Esq. on the part of the Company, for the same object.

The Earl of Liverpool and the Chancellor of the Exchequer lay before the Board the following Statement, received from the Commissioners on the part of the Public:

"The balance claimed by the East India Company, in the account transmitted to us, is 1,985,888 *l.*, exclusive of interest. If the charge for interest be made up, upon the principles adopted by the Committee of the House of Commons in 1805 and 1808, there must be added to this sum in favour of the Company, about 3,200,000 *l.*; making the total demand of the Company against the Public 5,185,888 *l.*"

Vide Statement (A.) pp. 185–6.

But the very first item in this account seems to us not admissible, either in justice towards the Public or with due regard to the principles upon which the Committees of the House of Commons, who examined the accounts between the Public and the East India Company in the years 1805 and 1808, proceeded.

The Committee of 1805 positively disallowed this claim; the Committee of 1808 closed the account, leaving it out, observing that under the order of reference made to them, they did not think themselves authorized to make any observations upon the principles on which the Committee of 1805 arranged the claims of the Company. They, however, thought it their duty, under all the circumstances of the case, to state the amount of what the Company maintain to be their "just and unsatisfied demand," on account of the other half of the expenses incurred by the capture and maintenance of Ceylon, being—

For principal - - - - - - - - -	£. 1,020,184
For interest, up to 1808 - - - - - - -	952,800
Total claim for the remaining half, principal and interest up to 1808 - - - - -	£. 1,972,984.

The account between the Public and Company was stated by the Committee in 1808, exclusive of this sum; and as it appeared that a balance was then due to the Company, of 1,500,419 *l.*, Parliament thought fit to authorize the payment of 1,500,000 *l.* on this account; and this sum was accordingly paid to the Company.

It does not appear that any recorded decision upon this claim of the Company exists, except that of the Committees in 1805 and 1808.

The Committees of the House of Commons upon India affairs in 1810, 1811 and 1812, took no notice of this claim; but there certainly is no evidence of a distinct rejection of it by Parliament, or of a formal abandonment of the claim by the East India Company.

But whether the rejection of this sum from the present account be to rest upon the decision of the Committees of 1805 and 1808, or upon the justice of the case, it appears to us equally defensible. If this sum should now be debited to the Public, the result to the Company would be, that no part of the expense on account of the capture and maintenance of Malacca, the Moluccas, and the maintenance of Ceylon, would fall upon them, but the Public would actually bear the ordinary expense of that part of the Company's troops which were employed either to conquer or maintain those possessions, even though no new levies were raised in their continental territories: thus making the Public pay the whole expense of that portion of the Company's army, and this notwithstanding the indulgent principles upon which the Committees of 1805 and 1808 adjusted other parts of the accounts between the Public and the Company. They exonerated the Company from every expense on account of the capture of the Danish settlements in 1801, of the capture of Ceylon, of the expedition to Egypt, and for the expedition and supplies to the Cape of Good Hope. In all these enterprizes the safety of the Company's possessions and power in India were, either directly or indirectly, involved; and therefore an adjustment of accounts which relieved them from all expense under these heads, cannot in our judgment be justly complained of, although the particular charge alluded to has been the subject of much remonstrance on the part of the Company at different periods of time; at all events,

Appendix, No. 8.

Settlement of Accounts between the Public and East India Company, in 1822.

if one part of the adjustment made in 1805 and 1808 is to be opened for the benefit of the Company, the whole must be deemed matter for discussion and renewed arrangement, and it may be fairly questioned whether the Company would not rather lose than gain by re-opening the whole of the accounts.

For these reasons we reject entirely the first item of the account, amounting, for principal, to - - - - - - - - - - - - - £. 1,020,184
Interest to this time - - - - - - - 2,479,816

Making together - - - £. 3,500,000

The remainder of the account consists of various charges from the year 1808, and for subsequent expeditions, amounting to - - - - - - - £. 10,257,644
Deduct half the expense of the Eastern Islands since 1808 - - 109,500

Net debit - - - £. 10,148,144

The credits to the Public for repayments, Pay-office disbursements, &c. amount to - - - - - - - - - - - - - - £. 9,291,940;—
As entered in the Company's account.

To this however are to be added two sums, amounting to 241,950 *l.*; the one being a suspended charge of 100,690 *l.* in the old account of Pay-office charges, afterwards admitted by the Company; the other being the difference between 2,000,000 *l.* as voted by Parliament to the Company, and which in the account is short credited in the sum of 141,260 *l.*, upon the ground that the Company should only be charged with what 2,000,000 *l.* of bullion would value to them in India; but as this 2,000,000 *l.* was neither sent out to India in bullion, nor subject to expense of remittance, the Public ought not to be debited for any expense incurred by the Company under either of these heads.

The total credits therefore to the Public appear to be 9,533,200 *l.*; which, deducted from the total debits, leaves a balance to the Company, in principal, of 615,000 *l.*

A minute examination of all the items of these accounts might vary this result, although it is impossible, without a detailed examination of the vouchers to every account, to pronounce on which side the difference would ultimately fall. Such an examination, to be perfect, should be taken up from the year 1794: if performed in a less satisfactory manner, it would begin from 1808. Considering, however, that the accountants employed by the Public and the East India Company have never yet agreed in the mode of applying the principles established by the Committee of 1805, there is no ground to expect that a detailed investigation of these accounts could be accomplished satisfactorily to either party within any reasonable period of time.

Assuming then that the principal due to the East India Company, on this view of the accounts, is 615,000 *l.*, the charge for interest on both sides would make a very material alteration in favour of the Company; and if reckoned in a relative proportion to a former calculation, and according to the principles in practice in Indian accounts, the statement would stand as follows:

	Principal.	Interest.	TOTAL.
	£.	£.	£.
Debts against the Public - - -	10,148,000	- 5,079,000	= 15,227,000
Credits - - - - - - -	9,533,000	- 3,705,000	= 13,238,000
Balance due to the Company -	615,000	- 1,374,000	= 1,989,000

The extent to which this balance might be reduced would depend upon the discretion of the Commissioners.

One sum of 450,000 *l.* would be fair matter of argument to be contended for as a saving of interest to the Public, by balancing the account to January 1812, according to the Treasury Minute of 1811, and thereby the Public would be relieved from the higher rate of interest for which the Company have always had credit in their accounts - £. 450,000
There is also a claim for an overcharge on account of the shipping employed on the expeditions against the French islands and Java, estimated at 220,000
Also a claim for sequestered property at the Cape - - - - 100,000

£. 770,000

These sums deducted from 1,989,000 *l.*, would leave a balance due to the Company of 1,219,000 *l.*

It should, however, be stated, that the Committee of the House of Commons, in 1808, reserved for further discussion a sum of 443,767 *l.* in the Pay-office demands, on the ground of the objections made by the Company to those accounts.

Of

Of that amount, the sum of 100,690 *l.* is included in this statement; and it may be reasonable to conclude that some part of the remainder would fall to the credit of the Public. On the other hand, it should be stated, that full credit is taken for all the payments made to the troops since 1808, as given in by the Paymaster-general in the account now presented by the Company; and it is probable that a detailed examination of the accounts would make some difference under this head against the Public. The remainder of the suspended claims prior to 1808, may be fairly set against any overcharge in the Paymaster-general's Account since that period, and still leave a balance due to the Company of 1,219,000 *l.*, as the result of closing the General Account up to April 1820, the Paymaster's Account up to December 1820, and the Interest Account to April 1821.

The continuation of the General Account as to India, up to April 1822, of the Paymaster-general's Accounts up to December 1821, would make a difference in favour of the Public of 150,000 *l.*; to which might be added an account of spices, belonging to the Public, in the Company's warehouses, 185,656 *l.*, making together, in favour of the Public, 335,656 *l.*

This sum, deducted from 1,219,000 *l.*, would leave the net balance due to the Company 883,444 *l.*

The Company might perhaps object to any deduction on account of the spices, and desire they might be credited to the Public as sold. In that case, the deduction from the net balance would be confined to the Paymaster's disbursements for the last year, leaving a debt due to the Company of 1,069,000 *l.*

Considering that the Public have property of some value at St. Helena, we think it might be reasonable to make this over to the Company, and state the debt due to them at one million; and thus close every account up to the present year.

(signed) *Lowther.*
S. R. Lushington.
George Clerk.

Statement (A.)

STATE of the DEMANDS of the East India Company on Government, and the CREDITS claimed by Government.

DEMANDS OF THE EAST INDIA COMPANY.

		£.
BALANCE due on former Account for Ceylon and the Eastern Islands, 1st March 1808		1,020,184
Eastern Islands - - - -	For the Expenses on account of these Islands, in consequence of their capture in 1795–6, from 1806–7 to 1819–20 - - - -	219,004
Ceylon - - - - -	For Supplies from India to that Settlement, and Expenses in England for Tonnage, &c. &c. after deducting the value of Cinnamon received 1807–8 to 1819–20 - - - - -	485,181
Cape of Good Hope - - -	For Supplies, &c. 1806 to 1808, and 1819–20 -	91,043
Stores to His Majesty's Ships in India - - - - -	D° from 1806–7 to 1818–19 - - - -	199,967
Expedition to the French Islands	For Supplies, Expenses, Bills drawn, &c. 1809–10 to 1819–20 - - - - - - - -	3,432,826
Expedition to Java - - -	For D° - - and D° - - 1810–11 to 1817–18 -	4,061,663
Expedition to the Moluccas - -	For D° D° and - - D° - - after giving credit for Spices received from 1813 to 1821 - -	91,921
Diplomatic Expense incurred in Persia - - - - -	From 1811 to 1817 - - - - - -	171,975
Advances for the Naval Service of Government in India - -	Advances from 1811–12 to 1816–17 - - -	183,945
Extra Expenses at St. Helena -	From October 1815 to 30th April 1821 - -	950,927
Expense of building Ships of War in India, for the Public - -	From 1806–7 to 1818 - - - - -	220,671
Miscellaneous Disbursements -	On sundry accounts - - - - -	148,521
	£,	11,277,828

East India House, 16th April 1822.

Appendix, No. 8.

Settlement of Accounts between the Public and East India Company, in 1822.

Statement (A.)—*continued.*

CREDITS CLAIMED BY GOVERNMENT.

	£.
Loan in Exchequer Bills in 1810	1,500,000
Charge for Recruits transferred to the Company by Government, from 1799 to 1816	383,513
Amount received from Government, April 1813	1,858,840
Net proceeds of the Cargoes of the Wyndham and Ceylon, received from the Mauritius	99,440
Bill drawn by the agents, for the Captors of Java, on Bengal, in favour of Government, indorsed by Government to the Company	191,787
Exchequer Bills received August 1816	359,820
Bullion consigned to India by Government, received in Bengal in 1816–17	916,776
Bills on the Dutch Government in favour of the Company, on account of Java, received in 1817 to 1821	347,512
Pay-office demands, from 1808 to 1820, both inclusive	3,564,692
Miscellaneous charges	69,560
£.	9,291,940
Balance	1,985,888
(Errors Excepted.) (Exclusive of Interest.) £.	11,277,828

The Earl of Liverpool and the Chancellor of the Exchequer further acquaint the Board, that, upon a consideration of this statement, they deemed it most for the advantage of the Public to open a negociation with the East India Company, for a final settlement of these accounts.

Various conferences and communications having subsequently taken place, between the Earl of Liverpool, the Chancellor of the Exchequer, and the President of the Board of Control, on the part of Government; and the Chairman and Deputy Chairman, on the part of the East India Company; and the statement of the Commissioners on the part of the Public having been delivered; the following Memorandum in reply was submitted by the Chairman and Deputy Chairman.

1st. Balance of former Account for Ceylon and the Eastern Islands.

The Committee of the House of Commons in 1808, stated in their Report as follows; viz.

"Your Committee cannot, in justice to the Company, conclude this part of their Report, without calling the attention of the House to the remonstrances made against the mode adopted by the Committee appointed in 1805, to take into consideration the account between the Public and the East India Company, as far as relates to the expenses incurred by the capture and maintenance of Malacca and the Moluccas, and the maintenance of Ceylon; a mode of decision by which claims on the part of the Company, to no less an amount than 1,972,984 *l.* have been set aside."

The arguments by which these claims were resisted and defended, and from which it is to be presumed the adjustment in question took place, will be found in the Appendix; and also, a Statement prepared by the Court of Directors, connected with the same subject.

Appendix, No. 4.

Then follows the quotation given in the paper.

From these observations, and as the Company have since at different times brought forward their claim to a more liberal consideration of this article, it was conceived, that when the whole of the accounts depending between Government and the Company were to be submitted to the examination of commissioners, this would be a favourable opportunity for bringing the claim once more under discussion.

It is unnecessary to detail the arguments by which the Company supported their demand on this article: they are to be found in the Appendix to the Reports of the Committees of the House of Commons in 1805 and 1808.

2d. Sums to be added to the Credit of Government; 1st. 100,690 *l.*, a suspended charge in the old account of Pay-office Charges, afterwards admitted by the Company.

This sum of 100,690 *l.** has not been brought to the credit of Government, because the Pay-office charges since 1808 appear liable to objections to a much more considerable amount; it is admitted to be probable, that a detailed examination of these accounts would make some difference under this head against the Public: but it is added, that the remainder of the suspended claims prior to 1808 may be fairly set against any overcharge in the Paymaster-general's Account, since that period. Now, with great submission, this is hardly possible; the remainder of the suspended accounts prior to 1808 is 219,000 *l.*; the objections to the accounts since that period amount to 603,000 *l.*; in both instances exclusive of interest.

* Should be £. 106,090.

But in addition to the suspensions prior to 1808, stated in the Report of the Committee in that year, it has been calculated, that an overcharge for recruits sent to India from 1793 to 1807, has been made in the Pay-office accounts, of 228,000 *l.*; so that the whole of the objections lately brought forward amount to 831,000 *l.*, exclusive of interest.

Besides,

Besides, a doubt may reasonably be entertained of any revision of the former suspensions producing more satisfactory explanations than those which have already been furnished, by which no more than 106,090 *l.* (not 100,690 *l.* as stated) have been substantiated out of 326,000 *l.*; and from the explanations furnished by the Pay-office, a part of this sum to the amount of 153,600 *l.* seems to be submitted as objectionable, the remainder is about 66,000 *l.* If the rule of proportion were to govern in this instance, the result would be, that out of 831,000 *l.*, the amount of recent objections, no more than 270,000 *l.* or 280,000 *l.* could be substantiated, leaving a claim of credit to the Company of 530,000 *l.*

3d. The Difference between 2,000,000 *l.*, voted by Parliament, and the sum brought to credit, 1,858,740 *l.*, being 141,260 *l.*

The Committee in 1808 admitted that the sums received by the Company from Government should be credited, after allowing the expense of remittance in bullion to India; that is, that although the sums were 100,000 *l.*, 200,000 *l.*, or 500,000 *l.*, they should be credited short of these sums by the expense that would be incurred in remitting them in bullion to India.

In the account annexed to the Report of 1808, this expense has been (erroneously as it is conceived) deducted from the calculation of interest, instead of lessening the principal, as it is presumed is the fair and correct mode, and must have been so intended by the Committee.

This supposed error is corrected in the credit given to Government for the sum received in 1813; which accounts for the deduction mentioned in the paper.

The sum of 2,000,000 *l.* was received in 1813 in exchequer bills; so were many of the sums credited to Government in the account before the Committee in 1808. The observation that the sum of two millions was neither sent out in bullion, nor subject to expense of remittance, applies equally, therefore, to the sums in the former account which were received in exchequer bills; no expense was actually incurred in either instance. Yet the Committee of the House of Commons in 1808 thought it right that the receipts should be subject to the deduction, then stated to be 7,058 per cent.

In fact, as Government are credited with interest, at the Indian rates, from the end of the month in which payments are made, it seems but just that the principal should be credited only at the amount which it would produce if remitted in bullion to India, namely at a reduction equal to the expense of such remittance.

If this were not allowed, the receipts in exchequer bills from Government would be entitled only to interest allowed on such bills, and not to interest at the Indian rates.

4th. Saving of Interest to the Public by balancing the Account to January 1812, 450,000 *l.*

Unless the calculation upon which this sum is founded were known, it is not possible to offer any remark on the objection, otherwise than as regards the principle apparently involved in it.

By the account made up to January 1812, it appears that Government were indebted to the Company above a million, including interest, but without allowing anything from the Pay-office charges for objections, to which they were liable.

Unless the account had then been settled and the balance paid by Government, it does not seem reasonable that the interest should cease, according to the higher rates paid by the Company in the years included in the account; it is believed to be the ordinary practice among merchants and others, that if no settlement of an account to a given period takes place, the interest agreed on between the parties continues until it is settled.

But it is further to be observed, that in November 1815, the Lords of the Treasury acquiesced in the suggestion, that the account between His Majesty's Government and the Company should be made up to the 30th April 1815; thus superseding virtually the former order to make it up to January 1812.

5th. Claim for an Overcharge on account of the Shipping employed in the Expeditions against the French Islands and Java, estimated at 220,000 *l.*

It is impossible to offer any remark upon a claim so briefly stated.

6th. Claim for sequestered Property at the Cape, 100,000 *l.*

This item, it is believed, forms part of the Company's demand against Government. Upon what foundation the objection rests, is not mentioned; the sum stated exceeds the amount charged under this specific description, which is 36,720 *l.*, or, with interest, 88,000 *l.*

As the Company's property was lost, and Government held the Cape as a possession of the British nation, the Company's claim on them for reimbursement was considered to be well founded.

6th. Continuation of the Account as to India up to April 1822, of the Paymaster-general's Account to December 1821, would make a difference in favour of the Public of 150,000 *l.*

This, as to the Indian accounts, can be only conjecture; the Pay-office charges for 1821, amount to 227,000 *l.*; but time has not been allowed since they were received here, to examine whether they are not liable to similar objections to those of former years.

7th. Further Deductions for Spices in the Company's Warehouses, 185,646 *l.*,—

Does not seem to require any observation.

Appendix, No. 8.

Settlement of Accounts between the Public and East India Company, in 1822.

8th. Public Property at St. Helena, to be made over to the Company.

The value of such property cannot be ascertained, but it may be a question if it will amount to 69,000 *l.*, as seems to be calculated; and it is to be remembered, that the Company have further claims for St. Helena subsequent to April 1821.

Under the foregoing remarks, the balance now due to the Company will, it is presumed, be more than 1,500,000 *l.* exclusive of the old balance for Ceylon, &c. and even admitting that the greater part of the objections made are valid.

On a consideration of this Memorandum the following Minute was transmitted to the Chairman and Deputy Chairman; viz.

Fife House, 24th May 1822.

The Earl of Liverpool and the Chancellor of the Exchequer, having fully considered the observations delivered to them yesterday by the Chairman and Deputy Chairman of the East India Company, propose to them as a final settlement of all accounts, (except as hereafter excepted,) to the 30th April 1822; that the Public shall pay to the Company the sum of 1,200,000 *l.*, to be applied in part discharge of the loan raised for the East India Company in 1812, and to relinquish the right of the Government to any stores or other public property remaining in the island of St. Helena; but that the Company shall, notwithstanding this settlement, retain their right to any sums due from the Navy Board, for stores supplied, or on account of interest due thereupon; and that the spices belonging to the Crown, and in the possession of the East India Company, together with the proceeds of such as may have been sold, shall not be included in this arrangement.

To this proposition the following reply was received, and a further conference held.

The Chairman and Deputy Chairman of the East India Company have the honour to acknowledge a communication from the Earl of Liverpool and the Chancellor of the Exchequer, under date this day, stating, that having fully considered the observations delivered to them on the 23d ultimo by the Chairs, they propose, as a final settlement to the 30th April 1822, the payment to the Company by the Public of the sum of 1,200,000 *l.* to be applied in part discharge of the loan raised in 1812, for the East India Company, and to relinquish the right of the Government to any stores or other public property remaining on the island of St. Helena; but that the Company shall, notwithstanding this settlement, retain their right to any sums due from the Navy Board for stores supplied, or on account of interest due thereon; and that the spices belonging to the Crown, and in the possession of the Company, together with the proceeds of such as may have been sold, shall not be included in this arrangement.

The Chairman and Deputy Chairman, fully appreciating the disposition evinced by His Majesty's Government, to come to a fair and equitable adjustment of the existing account between the Public and the Company, indulge a sanguine expectation that Lord Liverpool and the Chancellor of the Exchequer, on referring to the grounds urged by the Chairman and Deputy Chairman (at the interviews with which they have been honoured) in support of the claim preferred by the Company, will be disposed, either to grant to the Company the spices now in the warehouse belonging to the Crown, in addition to the sum of 1,200,000 *l.*; or, in the event of the transfer of that property, (which in the opinion of the Chairs, from the delay which must necessarily occur in realizing its amount, can be valued at little more than 100,000 *l.*), being deemed inexpedient that the sum of 1,300,000 *l.* may be named as the final amount to be granted to the Company in liquidation of their claims.

The Chairman and Deputy Chairman defer pressing on Lord Liverpool and the Chancellor of the Exchequer the additional arguments which present themselves in support of the above-mentioned proposition, until they shall have an opportunity of personally stating the same.

East India House, the 24th May 1822.

Upon full consideration of this important subject, the Earl of Liverpool and the Chancellor of the Exchequer, being deeply impressed that it is for the common benefit of the Public and the East India Company, that these long outstanding claims should be brought to an immediate and final settlement, recommend to the Board to consent to propose to Parliament, that the Public shall pay to the Company the sum of 1,300,000 *l.*, and relinquish the right of Government to any stores or other public property remaining in the island of St. Helena. The above sum to be considered as closing the accounts between the Government and East India Company to 30th April 1822, and to be applied in part discharge of the loan raised for the East India Company in 1812.

It being further to be understood, that the Company shall, notwithstanding this settlement, retain their right to any sums due from the Navy Board for stores supplied, or on account of interest due thereupon, and that the spices belonging to the Crown and in the possession of the East India Company, together with the proceeds of such as may have been sold, shall not be included in this arrangement.

My Lords entirely concur in the view taken by the Earl of Liverpool and the Chancellor of the Exchequer of this important subject; and are pleased to direct a letter to be written to the Chairman and Deputy Chairman of the East India Company accordingly.

Copy

Settlement of Accounts between the Public and East India Company, in 1822.

Copy LETTER from the Chairman and Deputy Chairman of the East India Company, to *S. R. Lushington*, Esq.

Sir, East India House, 1st June 1822.

WE have the honour to acknowledge your letter of 28th ult., conveying the proposals of His Majesty's Government, in regard to the settlement of the outstanding accounts between the Public and the East India Company.

We have submitted these proposals to the consideration of the Court of Directors; who being equally impressed with the Lords Commissioners of His Majesty's Treasury, that it is for the common benefit of the Public and the East India Company, that these outstanding claims should be brought to an immediate and final settlement, have authorized us to agree to the proposed terms of adjustment:—These terms the Court understand to be as follows:

That the Public shall pay to the East India Company the sum of 1,300,000 *l.*; and relinquish the right of Government to any stores or other public property remaining in the island of St. Helena:—

The above sum to be considered as closing the accounts between the Public and the East India Company to 30th April 1822, and to be applied in part discharge of the loan raised for the East India Company in 1812:—

It is further understood, that the Company shall, notwithstanding this settlement, retain their right to any sums due from the Navy Board, for stores supplied, or on account of interest due thereupon, and the amount of bills of exchange drawn or to be drawn from India in the Company's favour on the Government offices, for the current services of the Public in India, prior to the 30th April 1822; and, on the other hand, that the spices belonging to the Crown and in possession of the East India Company, together with the proceeds of such as may have been sold, or unaccounted for, by the Company, shall not be included in this arrangement.

We have the honour to be, Sir,
Your most obedient humble servants,
(signed) *J. Pattison.*
W. Wigram.

Stephen Rumbold Lushington, Esq.
&c. &c. &c.

Copy TREASURY MINUTE, dated 7th June 1822.

MY LORDS having considered the above letter from the Chairman and Deputy Chairman of the East India Company, and having carefully reviewed all the circumstances adverted to in the several conferences and communications which have taken place, for the adjustment of the accounts between the Public and the East India Company, will submit to Parliament the expediency of sanctioning the immediate and final settlement of those accounts to the 30th April 1822, on the terms agreed upon, as recapitulated in the said letter.

Let this decision be communicated to the Chairman and Deputy Chairman of the East India Company, for the information of the Court of Directors.

Copy TREASURY MINUTE, 28th June 1822.

THE Chancellor of the Exchequer lays before the Board a letter which he has received from the Secretary to the Commissioners for the Reduction of the National Debt, containing an account of the value of the stock remaining unredeemed on the 1st of this month, on account of the loan of 2,500,000 *l.* raised for the East India Company in 1812, and with reference to the Minute of this Board of 28th May 1822. He recommends to the Board, that application should be made to Parliament (in consideration of the mutual extinction of all claims between Government and the East India Company to the 30th April last, as stated in the Minute of the Board of 7th instant), to make provision that the East India Company should, from and after the 5th July next, be relieved from all further charge on account of the said loan of 1812, by transferring the future charge thereof to the Consolidated Fund; and that the sum of 557,322 *l.* remaining to be paid by the East India Company, to complete the sum of 1,857,322 *l.*, being the estimated value of the stock remaining unredeemed, should be applied to the service of the year 1822.

The Board approve thereof, and direct that application be made to Parliament accordingly.

Appendix, No. 8.

Settlement of Accounts between the Public and East India Company, in 1822.

(Copy.)

Sir, National Debt Office, 28th June 1822.

AGREEABLY to the directions which I had the honour to receive last week, the Accountant-general of the East India Company and myself have agreed in the value of the unredeemed debt due from the Company, on the 1st instant; and I have the honour to enclose our joint certificate of such value, for your information, a duplicate of which is in the possession of the Accountant-general of the East India Company.

I have the honour to be, Sir, with great respect,
Your most faithful and obedient servant,
S. Higham.

The Right Honourable
The Chancellor of the Exchequer,
&c. &c. &c.

Appendix, No. 9.

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

STATEMENT, for the Purpose of reconciling the View given in the GENERAL CASH dated 2d April 1832, of DEBT INCURRED in that Period, with the INCREASE of DEBT QUICK STOCK ACCOUNTS of

GENERAL CASH RESULT OF ALL INDIA.

	£.	£.
The difference between Debt incurred and paid off, including Oude cancelled Loan and Commissioners for the Redemption of Debt, is stated in this Account at - - - - - - - - - - - -		17,289,864
Deduct,		
The Oude cancelled Loan, left out of the Quick Stock on the liability of the Company for the amount ceasing by the cession of territory to the King of Oude - - - - -	1,109,975	
The augmentation of the Cash Balances of the three Presidencies between 1814 and 1829 - - - - - -	1,771,745	
		2,881,720
		14,408,144
Add,		
The amount by which the Debt incurred has been reduced in the Cash View in consequence of the deduction therefrom, of the excess of the Debits and Credits in Bengal Receipts and Disbursements, under the head of "Bills Outstanding," which item appears to comprise principally unadjusted expenditure - - - - - - - - -		912,982
	£.	15,321,126

Appendix, No. 8.

Settlement of Accounts between the Public and East India Company, in 1822.

(Copy.)

WE do hereby certify, that the amount of the unredeemed debt due by the East India Company on the 1st day of June 1822, was 380,794 *l.* consolidated 3 *l.* per cent annuities, and 1,984,745 *l.* reduced 3 *l.* per cent annuities, which, calculated at the medium price of those respective stocks on the 1st instant, amounts to 1,857,322 *l.* sterling.

Thos G. Lloyd,
Acct Genl to East India Company.

28th June 1822.

S. Higham,
Secy to the Commissioners for the Reduction of the National Debt.

Appendix, No. 9.

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

RESULT of the FINANCIAL TRANSACTIONS of all *India*, from 1814–15 to 1828–29, (from Cash Transactions) for the like Period, deducible from a Comparison of the 30th April 1814 and 30th April 1829.

COMPARISON OF QUICK STOCKS, 30th April 1814 and 30th April 1829.

		£.	£.
BENGAL:			
1814: Debts (1) *S.Rs.* 21,94,61,085 (col. 1)	£. 25,457,485		
Assets (2) – 2,11,75,961 (d°)	2,456,411		
Net Debts - - -		23,001,074	
1829: Debts (3) *S.Rs.* 35,09,77,435 (col. 1)	£. 40,713,382		
Assets (4) – 2,91,81,894 (d°)	3,385,100		
Net Debts - - -		37,328,282	
Increase of Debt at Bengal		- - -	14,327,208
MADRAS:			
1814: Debts (5) *Pags.* 46,51,087 a' 8 *s.* (col. 1)	£. 1,860,434		
Assets (6) – 66,79,051 – (d°)	2,671,620		
Net Assets - - -		811,186	
1829: Debts (7) *M.Rs.* 3,24,72,394 a' 2*s.* 3¾*d.* (col. 1)	£. 3,711,130		
Assets (8) – 2,40,66,055 a' – (d°)	2,750,407		
Net Debts - - -		960,723	
Increase of Debt at Madras		- - -	1,771,909
		£.	16,099,117
BOMBAY:			
1814: Debts (9) *B.Rs.* 34,39,926 a' 2*s.* 3*d.* (col. 1)	£. 386,992		
Assets (10) – 50,10,164 – (d°)	563,643		
Net Assets - - -		176,651	
1829: Debts (11) *B.Rs.* 69,81,417 a' 2*s.* 3*d.* (col. 1)	£. 785,409		
Assets (12) – 1,58,15,479 – (d°)	1,779,241		
Net Assets - - -		993,832	
Deduct, Decrease of Debt at Bombay		- - -	817,181
Net Increase of Debt at the three Presidencies - - -		£.	15,281,936

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

No. 1.—BENGAL.

DEBTS, 1814.

	Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
CIVIL DEPARTMENT:		
General:	S. Rs.	S. Rs.
8 per Cent. Loan of 30 April 1811	46,26,000	
6 - - ditto - - 1 January 1811	8,30,461	
6 - - ditto - - payable in 7 years	6,46,746	
6 - - ditto - - - - ditto	38,11,923	
6 - - ditto - - 30 June 1811	14,32,27,300	
6 - - ditto - - 30 June 1813	5,34,96,700	
6 - - ditto - to be dated 30 June 1814	42,25,600	
Interest thereon estimated to have accrued	- - -	41,55,614
Promissory notes, at 6 per cent., granted to the prize agents for the capture of Java	18,04,870	
Interest thereon, estimated at	- - -	1,65,800
Treasury notes, at 5 per cent.	5,500	
Ditto - at 6 per cent.	1,88,100	
Interest estimated at	- - -	3,872
Bills outstanding on account of the other Presidencies	- - -	27,04,905
Mint certificates	- - -	39,443
Deposits of the General Treasury	1,16,714	
Ditto - of the Supreme Court	1,010	
Ditto - of the Lucknow Treasury	1,518	
Ditto - of the late Mayor's Court	90,457	
Bonds and notes ordered for payment but not demanded	5,22,902	
Interest estimated	- - -	75,243
Due to the assistant in charge of the stationery	4,573	
Due to the Military Orphan and Widows' Fund	3,381	
Due to R. Bathurst from the Lucknow Treasury	548	
Civil Fund	2,394	
Mysore Princes	- - -	5,60,009
Remittance offered by the General Letter of 17 September 1795	- - -	1,873
Committee for improving the town of Calcutta	87,625	
Rajah Sookmoy's donation for constructing a road towards Juggernauth	73,764	
Subscriptions for the benefit of the widows and orphans of the Native and European soldiers who fell in the war with Tippoo	4,300	
Arrears of allowances on 30 April 1814	- - -	12,50,000
Judicial:		
Deposits in the different courts, belonging to individuals	10,22,943	
Collector of customs at Mirzapore	14,353	
Ditto - - - ditto - - bearing interest	1,29,572	
* Arrears of allowances on 30 April 1814, including unadjusted advances	- - -	22,685
* Bills payable on account of judicial remittances of the years 1812–13 and 1813–14	- - -	13,00,000
Revenue:		
Deposits of the Revenue Department	30,89,739	
Ditto - - - ditto - - - bearing interest	97,748	
Bills payable on account of remittances of the Revenue Department of 1797–98, 1801–2, and 1805–6 to 1813–14	- - -	13,69,717
Arrears of allowances on 30 April 1814, including pensions to Scindia, Sudars, &c.	- - -	16,00,000
Marine Department:		
Deposits of the Marine Pay-office	21,451	
10 per cent. deposit on account of outward pilotage	24,185	
Ditto - - - on account of wages	43,981	
Arrears of allowances on 30 April	- - -	1,76,653
Salt:		
Debts due on sundry accounts	- - -	3,00,248
Arrears, commission, &c.	- - -	1,67,665
Opium:		
Arrears of commission, &c.	- - -	1,23,224

MILITARY DEPARTMENT:		Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
Arrears due to the Army on 30 April 1814:		S. Rs.	S. Rs.
From the office of Paymaster to King's Troops - -	2,87,000	- - -	26,24,398
Ditto - of Artillery and Garrisons - - -	7,62,740		
Ditto - deficiency ditto at Berhampore and Dinapore	1,22,355		
From Paymaster at Chunar - - - - - -	3,33,000		
Ditto - at Cawnpore - - - - -	4,52,000		
Ditto - at Meerut - - - - - -	3,71,000		
Ditto - at Muttra - - - - - -	2,96,303		
Deposit for ordnance and military stores - - - - -		2,87,122	
Off-reckoning Fund - - - - - - - - - -		- - -	22,34,880
Bills payable - - - - - - - - - -		- - -	15,19,773
Military Prize Fund - - - - - - - - -		8,99,817	
Rohilla Donation of 1774 and 1794 - - - - - -		9,947	
Unclaimed shares of ditto of 1774 - - - - - -		47,841	
Unclaimed balances - - - - - - - - - -		- - -	4,76,220
	S. Rs	21,94,61,085	2,08,72,222

No. 2.—BENGAL.

ASSETS, 1814.

CIVIL DEPARTMENT:		Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
General:		S. Rs.	S. Rs.
Treasury: Cash - - - - - - - - - -		51,25,630	
Bank of Bengal: Ditto, one hundred shares, the property of the Company - - - - - - - - - -		10,00,000	
Interest thereon, estimated at - - - - - - -		- - -	33,333
Mint at Presidency: Cash - - - - - - - -		12,13,181	
Balance of Mr. Foster's bullion account - - -	1,94,105		
Deduct, received from refiners, &c. - - - -	46,653		
		1,48,252	
Remittances on the way from Moorshedabad, Behar, &c. - -		1,44,019	
Mint at Benares - - - - - Cash - - - - - -		10,544	
Ditto at Furruckabad - - - ditto - - - - - -		9,284	
Governor-general - - - - ditto - - - - - -		2,97,121	
Postmaster-general - - - - ditto - - - - - -		54,900	
Resident at Delhi - - - - ditto - - - - - -		11,56,751	
Resident at Vizier's Court - - ditto - - - - - -		1,26,625	
Commissioners at Seerampore - ditto - - - - - -		398	
Commissary at Chinsurah - - ditto - - - - - -		2,802	
Superintendent at Chundernagore, ditto - - - - - -		497	
Secretary to the College Council, ditto - - - - - -		3,891	
Company's attorney - - - ditto - - - - - -		10,000	
Debts:			
William Cowper - - - - - - - - - -		6,900	
Loan to justices of the peace - - - - - - -		1,83,163	
Musters of coin - - - - - - - - - -		277	
Managers of the Rampore Jageer - - - - - - -		3,014	
Loan to Syed Moorteza Khan - - - - - - -		19,669	
His Highness the Nawaub Syed Zein Ood Deen Ali Khaun - -		7,808	
Rajah of Nepaul - - - - - - - - - -		95,550	
Loan to Vakeel of ditto - - - - - - - - -		12,000	
Nawaub Nusseer Ool Moolk - - - - - - - -		34,985	
French Government - - - - - - - - - -		60,217	

(continued)

Appendix, No 9.

Statement of Debts and Assets in India, in 1814 and 1829.

CIVIL DEPARTMENT—*continued.*	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims, not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
	S.Rs.	*S.Rs.*
Stores:		
Stationery	-	21,900
Stores in the Dispensary	-	1,57,308
Judicial:		
Justices of the peace for the town of Calcutta - cash	14,507	
Court of Requests - ditto	350	
Mofussil - ditto	1,85,622	
Unadjusted Advances	-	9,84,071
Judicial Remittances of 1812–13, 1813–14	27,146	
Revenue:		
Cash	80,17,702	
Unadjusted Advances	-	12,36,220
Advances on account of unadjusted Civil and Military disbursements, on 30th April 1806	-	2,27,147
Remittances of the Revenue Department of the year 1796-7, 1804–5, 1809–10, 1812–13, and 1813–14	5,10,263	
Revenues of the current year - Lower Provinces	-	14,55,721
— — - Ceded ditto	-	13,73,224
— — - Conquered ditto	-	17,98,841
Revenues of former years, deemed recoverable - Lower Provinces	-	1,17,195
— — - Ceded ditto	-	5,96,492
— — - Conquered ditto	-	3,79,285
Calary Rents of 1220 B. S. expected to be realized	-	75,000
Tuckavee advances, deemed recoverable - Lower Provinces	-	17,000
— — - Ceded ditto	-	5,95,331
— — - Conquered ditto	-	2,17,008
Debts:		
Richard Ahmuty, late Collector of Allahabad	9,748	10,032
Rajah Kurrendernarain of Cooch Behar	16,500	
Customs, cash	1,76,473	
Salt - ditto	3,66,181	
Ditto, in store	-	22,00,034
Ditto, Debts, viz.:		
Advances for Bengal salt and charges	-	21,88,315
Ditto - Coast salt contractors	-	5,725
Outstanding balance	-	911
Due from purchasers of salt at the sales in March 1814	-	15,75,141
Opium, cash	72,092	
Ditto, store	-	16,606
Ditto, Debts, viz.:		
Due from purchasers of opium at sale in February last	-	5,87,876
Advances for Behar opium in 1813–14	-	4,71,342
Ditto - Benares ditto - ditto	-	89,918
Marine:		
Cash in hands of Marine Paymaster and Naval Storekeeper, on 30th April 1814	3,933	
In the Naval Store Warehouse	-	5,46,359
Stores sent without deposit, by order of the Governor-general, to captains of "Sea Otter," and "Nootka"	-	11,211
MILITARY DEPARTMENT:		
Cash in hands of Paymaster to Artillery and Garrisons	19,81,449	
Ditto - ditto - King's Troops		
Ditto - Deputy Paymaster at Berhampore and Dinapore		
Ditto - ditto - Chunar		
Ditto - ditto - Cawnpore		
Ditto - ditto - Meerut		
Ditto - ditto - Muttra		
Ditto - ditto - and Extraordinary		
Ditto - Major Weguelin, Commissary-general		

MILITARY DEPARTMENT—*continued.*	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
Stores and Cattle:	*S.Rs.*	*S.Rs.*
Amount of elephants purchased	- - -	3,12,226
Ditto - camels	- - -	2,25,394
Ditto - horse and horse accoutrements	- - -	22,80,364
Ditto - bullocks	- - -	1,87,921
Board of Superintendence for improving the breed of cattle	- - -	19,33,900
Stores in the Arsenal and subordinates	- - -	40,00,000
Ditto, lent to country ships	- - -	2,21,606
Advance for stores	- - -	7,76,486
Depôt at Anoopshire	- - -	7,332
Debts:		
Contractors for clothing the army	- - -	8,30,480
Advances to individuals	- - -	21,939
Orphan Fund	66,517	
Army contractors	- - -	85,925
Stock Account - - *S.Rs.* 4,90,48,080 -	2,11,75,961	2,78,72,119

No. 3.—BENGAL.

DEBTS, 1829.

CIVIL DEPARTMENT:	Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
General:	*S.Rs.*	*S.Rs.*
Six per Cent. Loan of 30th June 1822	7,47,11,200	
Ditto - - - from his Excellency the Vizier	56,39,089	
Ditto - - - renewed for a further term of seven years	6,68,292	
Five per Cent. Loan of 31st March 1823	9,16,95,500	
Four per Cent. Loan, opened the 13th September 1824	12,31,100	
Five per Cent. Loan, opened the 19th May 1825	9,41,54,300	
Four per Cent. Loan, of 1828-29	9,42,200	
Interest thereon, estimated at	- - -	31,16,512
Treasury Notes, at 8 per cent.	4,61,600	
Interest thereon, estimated at	- - -	4,763
Treasury Notes, at 5 per cent.	5,97,300	
Interest thereon, estimated at	- - -	44,797
Treasury Notes, at 5 per cent. for two years	1,73,080	
Interest thereon, estimated at	- - -	1,356
Treasury Notes, at 5 per cent. for 18 months	1,91,100	
Interest thereon, estimated at	- - -	4,778
Treasury Notes, at 5 per cent. for six months	4,700	
Interest thereon, estimated at	- - -	117
Treasury Notes, at 2 ½ pice per cent. per diem	4,700	
Interest thereon, estimated at	- - -	173
Treasury Notes, at 2 pice per cent. per diem	13,08,600	
Interest thereon, estimated at	- - -	9,939
Bonds, notes, &c. ordered for payment, but not demanded	4,63,134	
Interest thereon, estimated at	- - -	40,543
Six per Cent. Loans ordered for payment, but not demanded	4,70,400	
Interest thereon, estimated at	- - -	14,112
Six per Cent. Notes issued to the prize agents for captors of Java	3,22,016	
Her late Highness the Bhow Begum's Stipend Fund	55,98,435	
Loan from His Majesty the King of Oude - at 5 per cent.	1,55,39,650	
Ditto - Scindiah's Government - ditto	60,22,585	
Ditto - Rajah Kurm Sing, of Puttialla - ditto	19,13,750	

(*continued*)

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

CIVIL DEPARTMENT—*continued.*	Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
General:	S. Rs.	S. Rs.
Loan from Luchmeechand and Manneeram - - at 5 per cent.	11,48,250	
Ditto - Rajah of Nagpore - - - - - ditto -	5,24,000	
Ditto - W. A. Brooke, as Agent to the Governor-General - - - - - - - - ditto -	2,44,003	
Ditto - Nowab Ahmed Buksh Khan - - - - ditto -	2,39,219	
Ditto - Rajah Kallishunker Ghosaub - - - ditto -	45,930	
Ditto - Moulory Mooneer Ally - - - - ditto -	38,275	
Ditto - Mobaruck Ool Nissa Begum - - at 4 per cent.	16,267	
Interest thereon, estimated at - - - - - - - -	- - -	6,33,213
Loan at 10 per cent., transferred from Fort Marlbro' - - -	18,505	
Interest thereon, estimated at - - - - - - - -	- -	925
Bhurtpore captured property - - - - - - - -	7,77,229	
Deccan Prize Fund - - - - - - } as made up in England } - -	21,28,115	
Interest at 5 per cent. from 1st February 1828 } as made up in England } - -		
Trustees of the Deccan Prize Booty - - } as made up in England } - -		
Interest at 5 per cent. from 1st February 1828 } as made up in England } - -		
Bills payable on account of the other Presidencies - - -	- - -	8,49,995
Deposits of the General Department - - - - - -	8,91,743	
Ditto - Supreme Court - - - - - - - -	1,010	
Ditto - Mayor's Court - - - - - - - -	90,457	
Ditto - Lower Orphan School - - - - - - -	9,832	
Ditto - Lucnow Treasury - - - - - - - -	548	
Mint certificates, outstanding - - - - - - - -	- - -	4,16,057
Due to the Mysore Princes - - - - - - - -	- - -	19,88,669
Ditto - Civil Fund - - - - - - - - -	48,394	
Ditto - Managers and Trustees of the Civil Fund - - -	1,177	
Ditto - Civil Service Annuity Fund - - - - -	30,25,332	
Ditto - Bengal Military Fund - - - - - - -	3,751	
Ditto - Military Orphan Fund - - - - - - -	59,166	
Ditto - Bencoolen ditto - - - - - - - -	6,049	
Ditto - Nizamut Stipend ditto - - - - - - -	3,24,126	
Ditto - Syed Moortez at Khan - - - - - - -	2,400	
Ditto - William Fitzmaurice - - - - - - - -	2,368	
Assistant in charge of the stationery - - - - - - -	2,026	
Collector of stamps - - - - - - - - - -	1,967	
Construction of a new road from Cossipore to Dum Dum - -	- - -	40,000
Due to Scindiah's auxiliary horse - - - - - -	65,098	
Arrears of allowances - - - - - - - - - -	- - -	20,00,000
Judicial:		
Deposits in the different Courts, belonging to individuals - -	52,27,852	
Bills payable on account of remittances - - - - -	- - -	3,84,873
Arrears of allowances, including unadjusted advances - - -	- - -	28,13,709
Revenue:		
Deposits of the Revenue Department - - - - - - -	87,12,591	
Ditto - - of - ditto - - - bearing interest - - -	3,021	
Bills payable on account of remittances of the Years 1806–7 to 1828–29 - - - - - - - - - - - -	- - -	18,99,998
Arrears of allowances, including pensions payable to Scindiah, &c., and unadjusted advances - - - - - - - - -	- - -	65,83,000
Debts:		
Rajah Hurrendernaram, of Cooch Behar - - - - - -	500	
– Burrodakanth Roy, of Jessore - - - - - -	16,500	
Customs:		
Deposits of the Revenue Department - - - - - - -	1,82,197	
Bills payable on account of remittances - - - - - -	- - -	63,149
Arrears of allowances, &c. - - - - - - - - -	- - -	1,92,000
Revenue:		
Salt, due on sundry accounts - - - - - - - -	- - -	1,97,566
Arrears of allowances, commission, &c. - - - - - -	- - -	2,21,217
Opium, arrears of allowances, commission, &c. - - - - -	- - -	1,55,486

CIVIL DEPARTMENT—*continued.*	Items falling under the description of Debt Incurred in the Cash View.	Other Items exclusive of such as have been rejected in the Home Adjustment.
Marine:	*S. Rs.*	*S. Rs.*
Deposits in the Marine Pay Office	6,451	
Ditto - - Registry Office	1,07,036	
Ditto on account of wages	65,229	
Ditto at 10 per cent. on account of pilotage	70,356	
Marine Pension Fund	1,13,106	
Arrears of allowances, &c.	- - -	1,11,557
MILITARY DEPARTMENT:		
Arrears due the Army from Paymaster to King's Troops	- - -	2,23,000
Ditto - - - - - - - ditto - Artillery and Garrisons	- - -	8,09,440
Ditto - - - - - - - Deputy Paymaster at Benares	- - -	5,02,400
Ditto - - - - - - - - - ditto - - Cawnpore	- - -	5,40,646
Ditto - - - - - - - - - ditto - - Dinapore	- - -	2,50,900
Ditto - - - - - - - - - ditto - - Meerut	- - -	5,00,648
Ditto - - - - - - - - - ditto - - Muttra	- - -	3,89,265
Ditto - - - - - - - - - ditto - - Rajpootana	- - -	3,36,445
Unadjusted advances	- - -	73,24,039
Off-reckoning Funds	- - -	30,86,408
General Off-reckoning Fund of the three Presidencies	- - -	17,862
Bills payable	- - -	14,19,427
Cash deposits of Ordnance and Military Stores	2,42,841	
Unclaimed balances	- - -	5,55,098
Rohilla Donations of 1774 and 1794	9,946	
Unclaimed shares of Rohilla Donation of 1774	47,841	
Prize Funds	3,47,237	
Sinking Fund	2,39,96,763	
S. Rs.	*35,09,77,435	*3,77,44,082

* Amount per Account of Stock per Computation for 1829, India and England, (Appendix, No. 18.) *S.Rs.*	39,03,07,152
Difference arising from the Total Balance in favour of the Deccan Prize Fund being included in the Stock Account, whereas in this Statement the sum charged on the Revenues only is included	15,85,635
S.Rs.	38,87,21,517

No. 4.—BENGAL.

ASSETS, 1829.

CIVIL DEPARTMENT:	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims, not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
General:		
Treasury:	*S. Rs.*	*S. Rs.*
Cash	30,62,040	
Bank of Bengal:		
One hundred shares, property of the Company	10,00,000	
Interest thereon, estimated at	- - -	47,917
Mint at the Presidency:		
Cash	11,80,641	
Mint at Benares:		
Cash	56,522	
Unadjusted advances	- - -	9,695
Remittances from Presidency, Mint not credited	6,88,983	
Mint at Saugore:		
Cash	1,13,422	
Unadjusted advances	- - -	2,840

(*continued*)

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

CIVIL DEPARTMENT—*continued.*	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims, not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
	S. Rs.	*S. Rs.*
Governor-general:		
Cash	17,93,912	
Unadjusted advances	- - -	11,39,471
Postmaster-general:		
Cash	23,629	
Unadjusted advances	- - -	22,754
General:		
Resident at Lucnow:		
Cash	10,87,886	
Unadjusted advances	- - -	18,933
Secretary at the College Council:		
Cash	1,353	
Unadjusted advances	- - -	3,000
Company's Attorney:		
Cash	10,000	
Collector of Stamps:		
Cash	5,796	
Debts:		
Loan to writers attached to the College	3,01,987	
Loan to Nowab Mehendee Qoolee Khan	7,500	
Musters of coin	1,829	
Committee for improving the town of Calcutta	7,01,062	
Manager of the Rampore Jagheer	4,071	
Pensioners of the Netherlands Government	17,020	
Court of Wards	7,824	
Bhurtpore Government	- - -	16,78,818
Interest thereon, estimated at	- - -	2,00,000
Stores:		
Stationery	- - -	91,364
Stores in the Dispensary	- - -	1,20,000
Judicial:		
Cash	11,684	
Court of Requests:		
Cash	1,276	
Mofussil		
Cash	1,86,293	
Unadjusted advances	- - -	14,13,709
Judicial remittances	5,06,769	
Revenue:		
Cash	1,39,01,461	
Unadjusted advances	- - -	44,83,954
Remittances	27,24,619	
Revenues of the current year, Lower Provinces	- - -	33,55,944
Ditto Western ditto	- - -	38,97,616
Ditto of former years deemed recoverable, Lower Provinces	- - -	3,71,512
Ditto ditto Western ditto	- - -	2,74,037
Tuckavee	- - -	16,65,142
Debt, Richard Ahmuty, late collector of Allahabad	9,748	
Customs:		
Cash	68,684	
Unadjusted advances	- - -	36,169
Remittances	1,27,346	
Salt:		
Cash	2,74,262	
Unadjusted advances	- - -	4,91,928
In store	- - -	26,33,159
Debts	- - -	62,60,721
Opium:		
Cash	3,11,393	
Unadjusted advances	- - -	12,52,656
In store	- - -	1,09,256
Debts	- - -	71,92,197

CIVIL DEPARTMENT—*continued.*	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
Marine:	*S. Rs.*	*S. Rs.*
Cash	2,695	
Unadjusted advances	- - -	24,88,325
Stores in the naval store warehouse	- - -	7,74,492
Ditto lent without deposit to "Sea Otter" and "Nootka"	- - -	11,211
MILITARY DEPARTMENT:		
Cash in hands of Paymaster to King's Troops	2,847	
Ditto - - ditto - - Artillery and Garrisons	89,609	
Ditto - - ditto - at Benares	37,083	
Ditto - - ditto - - Cawnpore	4,009	
Ditto - - ditto - - Dinapore	4,264	
Ditto - - ditto - - Meerut	9,713	
Ditto - - ditto - - Muttra	15,109	
Ditto - - ditto - - Rajpootana	2,66,013	
Ditto - - officer in charge of military chest in Mhow	48,606	
Ditto - - superintendents of stud at Buxar	29,442	
Ditto - - supervisor of Hissar establishment	32,654	
Ditto - - commissariat	4,50,838	
Unadjusted advances	- - -	34,72,306
Stores and Cattle:		
Elephants	- - -	5,00,694
Camels	- - -	16,66,774
Bullocks	- - -	3,64,362
Horses	- - -	78,10,405
Mules	- - -	69,282
Board of Superintendence	- - -	83,40,944
Clothing Board	- - -	19,389
Stores in Arsenal and Subordinates	- - -	40,00,000
Ditto lent to country ships	- - -	1,70,848
Debts:		
Advances to individuals	- - -	61,75,447
S. Rs.	2,91,81,894	7,26,37,271

No. 5.—FORT ST. GEORGE.

DEBTS, 1814.

GENERAL DEPARTMENT:	Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
	Pags.	*Pags.*
8 per Cent. Perpetual Loans	44,000	
6 per Cent. Old Bonds and Certificates outstanding	40,568	
6 per Cent. Perpetual Loans	29,894	
6 per Cent. Promissory Notes, on account of native servants proceeding to England	12,750	
Funds appropriated to objects of public and private charities, retained at interest	2,80,103	
Amount of sundry Loans advertised for discharge, not yet paid off, the interest on which has ceased from their respective dates of notification for discharge	99,714	
Interest on the above debts, estimated to 30th April 1814	- - -	6,330

(*continued*)

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

GENERAL DEPARTMENT—*continued.*	Items falling under the description of Debt Incurred in the Cash view.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
	Pags.	*Pags.*
Deposit on account the Supreme Court - - - - - -	46,736	
Ditto - - - the estate of military persons deceased - -	19,558	
Ditto - - - claims of individuals upon their Highnesses the late Nabobs of the Carnatic - - - - - - - -	29,11,117	
Ditto by Messrs. G. Ricketts and John Shaw, as trustees of Miss Juliana Salmon - - - - - - - - - -	600	
Balance due to the Government Bank - - - - - - -	5,53,733	
Ditto - - - Civil Fund - - - - - - -	19,043	
Ditto - - - Native Servants' Pension Fund - - - -	1,35,303	
Ditto - - - Military Fund - - - - - - -	9,195	
Ditto - - - Medical Fund - - - - - - -	15,999	
Ditto - - - Madras Infirmary - - - - - -	12,698	
Deposit made by Lieutenant-colonel Hastings Fraser, on account of Seringapatam prize agents - - - -	47,596	
Ditto - - on account of the Travancore ditto - - -	34,038	
Ditto - - by the Military Board on account unadjusted claims of Bullock owners connected with agency of late Capt. Mackay - - - - - - -	180	
Ditto - - on account the Creditors of Mondaree Ud Dowlah, Masulipatam Nabob - - - - - -	890	
Ditto - - ditto - estate of late Dr. Alexander Maconochie	14,895	
Ditto - - ditto - - - Admiral Drury - - -	2,393	
Ditto - - transferred from Commercial Department - -	8,431	
Old 12 per Cent. Bonds undischarged, on which Interest ceased in 1792 - - - - - - - - - - - - - -	307	
Old 8 per Cent. ditto - - - - ditto - - - ditto - 1793	22,940	
12 and 8 per Cent. Bonds, and 6 per cent. Hoghill Certificates ditto, at different periods - - - - - - - - - -	22,997	
Notes issued at Cuddalore during a former war, outstanding - -	980	
Treasury Bills outstanding - - - - - - - - -	200	
Balance due the Government of Mysore - - - - - -	1,09,247	
Revenue:		
Deposits at the Presidency and Subordinates - - - -	1,47,781	
Zemindary pensions and charitable allowances - - - -	- - -	25,995
MILITARY DEPARTMENT:		
Due for Off-reckonings of 1809 to 1812 - - - - - -	- - -	4,78,218
Pags.		
Bazar Fund for 1807–8 - - - - - - - - - 23,622		
Deduct,		
Payments on account of claims - - - - - - 2,168	- - -	21,454
Military operations in Travancore and Cochin, balance remaining to be disbursed of the amount charged to those Governments on the other side - - - - - - - - - - - -	- - -	31,806
Balance due the Paymaster in Mysore - - - - - -	7,201	
Pags.	*46,51,087	*5,63,803

* Amount per Account of Stock per Computation for 1814, India and England, (Appendix, No. 17.) - - - - - - - - - - *Pags.* 58,89,893
Adjustment in Account of Carnatic Deposite - - - - - - 6,75,003

Pags. 52,14,890

No. 6.—FORT ST. GEORGE.

ASSETS, 1814.

	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims, not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
GENERAL DEPARTMENT:	*Pags.*	*Pags.*
Treasury - - - - Cash - - - - - -	2,31,694	
Mint - - - - - - ditto - - - - - -	3,73,610	
Postmaster general - - ditto - - - - - -	491	
Resident at Hydrabad - - ditto - - - - - -	5,40,674	
Ditto - Mysore - - ditto - - - - - -	6,159	
Ditto - Tanjore - - ditto - - - - - -	938	
Ditto - Travancore, - - ditto - - - - - -	39,878	
Paymaster of Stipends at Vellore, ditto - - - - - -	10,628	
Masulipatam General Treasury - ditto - - - - - -	4,06,267	
Commission at Tranquebar - - ditto - - - - - -	1,980	
Pix Box Cash - - - - - - - - - - -	454	
Remittances *in transitu*, &c. on 30 April - - - - - -	7,78,430	
Debts not bearing Interest:		
Due by Rajah of Cochin, on account the Military Expenses of 1808–9	- - -	1,50,873
Ditto from late Rajah Mohiput Ram - - - - - - -	28,571	
Advances to officers and servants of his Highness Nabob Omdut Ool Omrah, to be adjusted on settlement of the Carnatic Debts - -	1,39,812	
Bunjaries with the Hydrabad Subsidiary Force - - - - -	- - -	6,522
Deposit on account filing the Bill of Interpleader in late Recorder's Court, against Sunwoo Chinna, Kistnannah Chitty and others -	15,828	
Stores and Grain:		
Medicines, &c. in the Dispensary at Madras and the Subordinates, 30 April 1814 - - - - - - - - - - - -	- - -	28,363
Revenue:		
Cash - - - - - - - - - - - - -	32,22,953	
Revenue balances - - - - - - - - - - -	- - -	36,22,584
Tuckavy advances - - - - - - - - - - -	- - -	2,39,586
Debts, viz.:		
Pensions to late Zemindar of Kemidy and Juggernaut, Deo, &c. at Masulipatam - - - - - - - - - - -	22,788	
Due from Mr. Casanew, on account of Paddy, sold at Nagore -	- - -	630
Ditto - late J. A. Ram, Collector in the Guntoor Circars, on account of Grain at Moosapilly - - - - - - -	- - -	10,923
Ditto - Mr. A. Gregory, late Collector late 5th Division of Masulipatam - - - - - - - - - - - -	23	
Zemindars for Rozinahs - - - - - - - - - -	5,661	
Mr. Alexander Macleod (now Hume) late Collector in Trivady Soubah - - - - - - - - - - - - -	3,548	
Plantations - - - - - - - - - - - -	- - -	42,639
Cokulapooly Juggernautrauze, Zemindar of Poleveram, &c. for amount lent him - - - - - - - - - - -	17,490	
Salt Debts:		
Due for advances on account Manufacture of Salt and Salt Revenue rented - - - - - - - - - - - - -	- - -	47,156
Customs:		
Cash - - - - - - - - - - - - -	28,251	
Due on account Customs, rented - - - - - - - - -	- - -	6,245
Grain:		
Amount in store - - - - - - - - - - - -	- - -	18,651

(*continued*)

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

MILITARY DEPARTMENT:	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
	Pags.	*Pags.*
Balances in hands of Paymasters	8,00,770	
Cattle and Stores:		
Horses, Elephants, Camels, Bullocks	- - -	7,99,149
Stores in Arsenal at Fort St. George and subordinate Magazines, on 31st January 1813	- - -	21,61,233
Provision stores and grain in ditto - - - ditto	- - -	2,11,625
Marine Department:		
Cash	2,153	
Pags.	*66,79,051	*73,46,179

* Amount per Account of Stock per Computation for 1814, India and England, (Appendix, No. 17.)	*Pags.*	1,77,20,156
Deduct, Balances due from Nabob of the Carnatic and Rajah of Tanjore, written off on the Company assuming the Government of those countries respectively	*Pags.* 34,60,178	
Adjustment in value of Military Stores	2,34,748	
		36,94,926
	Pags.	1,40,25,230

No. 7.—FORT ST. GEORGE.

DEBTS, 1829.

GENERAL DEPARTMENT.	* Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
	M.Rs.	*M.Rs.*
Bonded Debts bearing Interest:		
Permanent Loans	2,62,131	
Funds of Charitable Institutions retained at interest	24,500	
6 per Cent. Notes, issued under advertisement of 1st May 1811	9,08,611	
5 - ditto - in liquidation of Debts of late Newaub of the Carnatic	55,000	
4 - ditto - on account Petty Claims on Carnatic Fund	3,15,500	
Mint Bullion Certificates	1,13,148	
Bonded Debts not bearing Interest:		
Bonds, Notes, &c. advertised for payment, but not demanded	4,03,940	
Open Accounts bearing Interest:		
Balance due the Carnatic Fund (Home View)	1,99,93,073	
Ditto - - Government Bank	5,68,575	
Ditto - - Civil Annuity Fund, to 30th April 1825	11,91,356	
Ditto - - - - ditto - - from - ditto	12,30,248	
Ditto - - Civil Fund Charity Branch	5,35,865	
Ditto - - Medical Fund	7,86,049	
Ditto - - Military Fund	15,30,624	
Ditto - - Madras Infirmary	57,996	
Deposits on account the Estates of Military Persons deceased	1,32,136	
Ditto - - - Native Servants proceeding with individuals to England	38,378	
Ditto - - - the Estate of the late Pegoes Petrus	1,260	
Ditto - - - by Messrs. G. Ricketts and John Shaw, as trustees of Miss Juliana Salmon	2,100	
Ditto - connected with the Pondicherry P. Money in 1793	8	
Endowment by Collah Singanah Chitty, for 4 Choultries for Travellers	41,770	
Advance to Prince Azeem Jah Bahader, on account the Debts of the late Newaub, repayable by instalments from the Newaub's one-fifth share of the Revenue of the Carnatic	1,812	

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

General Department—*continued.*	Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
Debts not bearing Interest:	*M.Rs.*	*M.Rs.*
Deposits	2,291	
Deposit made by C. Smith, Esq. administrator to Estate of late Dr. Alexander Maconochie	52,133	
Ditto - on account claims of subjects of Travancore, for Captures made by His Majesty's Ships of War during disturbances in that country in 1809–10	47,787	
Ditto - on account Major Grand, C.E. V.B.	28,011	
Ditto - made by Major-general (then Captain) Sir J. Malcolm in the Hydrabad Treasury, on account Bunjarries with the Hydrabad Subsidiary Force	18,665	
Ditto - on account unclaimed Goods, per "Windham," from Calcutta	6,454	
Ditto - for redeeming the Bonds issued by Government on account the Zemindar of Vizagapatam	5,200	
Ditto - made by Peter Paget, Esq. executor to Estate of late Admiral Drury	4,595	
Ditto - on account Estate of Mr. J. Fullerton	1,115	
Ditto - - - - Creditors of Moubarac ud Dowlah, Nabob Masulipatam	2,635	
Ditto - Lieutenant T. C. Cutliffe, 3d N. V. B.	930	
Ditto - Bazar Fund, due to the officers formerly commanding stations in Mysore	337	
Ditto - made by purser of H. C. Ship "Streatham"	173	
Ditto - on account Penny Postage on Soldiers' Letters	126	
Ditto - by sale of the Property of Mr. J. P. Scott, deceased	60	
Ditto - on account the Supreme Court	2,78,854	
Ditto - - - - Ava Donation Batta, due absentees	5,805	
Charles Harris, Esq. late Collector of Manargoody Soobah	5,239	
Francis Savage, Esq. Collector of Sea Customs at Vizagapatam	1,388	
James Hepburn, Esq. late Collector of Tinnevelly	56	
Private European Creditors of the Rajah of Tanjore	- - -	10,38,674
Military operations in Travancore and Cochin	1,07,222	
Bazar Fund for 1807–8	75,089	
Unclaimed Prize Money due His Majesty's Troops	9,605	
Rajah of Tanjore	2,27,432	
Royapooram Church Fees	3,332	
Contractors' Fees	1,958	
Revenue Department:		
Deposits at the Presidency and in the Subordinate Treasuries	33,91,822	
Zemindary Pensions and Charitable Allowances	- - -	90,981
MILITARY DEPARTMENT:		
Unadjusted Accounts:		
Balance in favour of Captain Anderson, late superintending Engineer in Northern Division of the Army	- - -	150
Ditto - - - Captain Cotgrave - ditto - ditto	- - -	30
Ditto - - - Ensign Grant - - ditto at the Presidency	- - -	175
Ditto - - - Captain Grant - - ditto in Travancore and Tinnevelly	- - -	944
Ditto - - - Lieutenant C. E. Faber, acting superintending Engineer in Malabar and Canara	- - -	18
Ditto - - - the Paymaster at Vellore and Poonamallee and Commissary-general, to 30th April 1823	- - -	466
Ditto - - - Capt. Tabois, Postmaster in Southern Mahratta Provinces	- - -	27
Ditto - - - Major W. Ormsby, Superintendent of Police	- - -	9,430
Ditto - - - Individuals, for deposits made by them	- - -	1,13,033
Ditto - - - Individuals	- - -	507
Accounts of Money borrowed	- - -	23,061
Accounts to Officers at Java	- - -	513
Bills outstanding to be paid	- - -	3,77,278
Ditto - ditto - - - - - 1825–26 to 1828–29	- - -	27,93,786
M.Rs.	*3,24,72,394	*44,49,073.

* Amount per Account of Stock per Computation for 1829, India and England, (Appendix, No. 18.)	*Rs.*	3,77,97,067
Adjustment on account of Off-reckonings paid in England	*Rs.* 9,44,175	
Deduct, Correction in amount of Balance in favour of Madras Government Bank	68,575	
		8,75,600
	Rs.	3,69,21,467

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

No. 8.—FORT ST. GEORGE.

ASSETS, 1829.

GENERAL DEPARTMENT:	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims, not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
	M.Rs.	M.Rs.
General Treasury: Cash	54,58,335	
Pix Box - - - ditto	1,321	
Mint - - - - ditto	17,398	
Postmaster-general - - Cash	2,046	
Superintendent of Stationery, ditto	1,826	
Boat Paymaster - - - ditto	6,236	
Superintendent of Public Roads in Assessment Department, ditto	13,078	
Superintendent of Public Roads: Cash	3,490	
Inspector of Streets and Roads, ditto	825	
Subordinate Treasuries - - ditto	15,13,761	
Remittances from Mint to General Treasury	4,40,698	
Ditto - - Collector in charge of Masulipatam General Treasury	6,00,000	
Ditto - - Principal Collector of Coimbatore	6,61,360	
Ditto - - Collector of Chingleput	1,80,000	
Ditto - - - - - Salem	5,00,000	
Ditto - - - - - Trichinopoly	1,30,000	
Debts not bearing Interest:		
Advances to the officers and servants of his Highness the late Newaub Omdul Ul Umrah	5,37,879	
Advance to his Highness Prince Azeem Jah Bahader Naib-i-Mookshar	10,47,716	
Advance to E. Daorgaprasaud Naidoo, minor Zemindar of Dararacottah, recoverable from the surplus of his zemindary	81,800	
Advance to Narrasimmah Opparow, recoverable from the estate of his nephew, the minor Zemindar of Noozeed	64,800	
Advance to Narrain Daverkarry, Jaghardeer of Somaskee Naid, recoverable	14,843	
Advance to estate of late C. Soobernady Row, Zemindar of Ramacottah and Goodvadah, Purganah in the zillah of Masulipatam, recoverable	3,414	
Advance to Kamantarso, Rajah of Combla, recoverable	3,632	
Advance to Veerabadrauze of Vizagapatam, to be recovered from Zemindar of Meeringhee	683	
Advance on account of the Post Office Department	231	
Advance to Secretary to the Revenue Board, for transmission of Malabar Ravanah	200	
Ditto - Mr. J. Lushington, Private Secretary to the Governor	10,000	
Ditto - Right hon. Thos. Robinson, Archdeacon of Madras	5,000	
Ditto - on account Government Lotteries, repayable	6,52,916	
Ditto - - ditto - Military Male Orphan Asylum, repayable	23,500	
Ditto - to Mr. J. Boutflower, repayable by trustees of Civil Fund	9,190	
Account Presents remaining in Import Warehouse	- - -	3,859
Ditto Supplies of Stationery, issued on credits	- - -	84
Captain D. Sim, Civil Architect	1,250	
Mr. J. Law	28,317	
Mr. J. M. Heath, late Contractor for supply of Saltpetre	10,000	
Mr. W. Hawkins, late Collector of Masulipatam	5,596	
Mr. W. Bannister, Mintmaster's Assayer	217	
Mr. Thos. Teed, Solicitor to the Honourable Company	7,000	
Mr. D. Neale - - - ditto - - - ditto	3,500	

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

GENERAL DEPARTMENT—*continued.*		Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims, not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
		M.Rs.	*M.Rs.*
Deposit made on Telinga Bill of Interpleader in late Recorder's Court against Suncoo Chinna, Kistnamah Chitty and others		55,399	
Claims of the Honourable Company against Carnatic Fund		53,164	
Town Assessment		77,101	
Assay-office		628	
Government of Ceylon		38,417	
Ditto - - Mysore		2,34,072	
Mysore Pensions, repayable by that Government		45,327	
Netherlands Government Pensions, repayable		9,931	
Stores:			
Stationery remaining with the Superintendent		- - -	1,80,748
Marine Stores remaining in charge of Master Attendant		- - -	1,67,306
Ditto - - at Masulipatam		- - -	7,476
Collector of Customs at Callicut in charge of Stationery		- - -	6,631
REVENUE DEPARTMENT:			
Cash in Treasuries of the several Collectorates		1,04,52,520	
Revenue of 1828–29, recoverable in subsequent years		- - -	29,46,754
Arrears of former years		- - -	87,14,102
Tuckavy advances		- - -	12,29,601
Due from Mr. Alex. Macleod (now Hume) collector in Trevady Soobah		12,417	
Ditto - - Government Plantations		- - -	2,89,879
MILITARY DEPARTMENT:			
Cash in the Treasuries of the several Paymasters		8,97,038	
Commissary-general		1,33,272	
Agent for supplies of Broad Cloth to the officers of the Army		264	
Superintendent of Family Payments	89,548		
Deduct, Balance due to late Superintendent of Family Payments	75,101		
		14,447	
Cattle and Stores:			
Horses, &c. 30th April 1829		- - -	31,02,749
Elephants, camels and bullocks		- - -	6,47,345
Stores in the Arsenal of Fort St. George and the subordinate magazines, including Engineers' Stores, on 31st January 1829		- - -	1,62,39,651
Provision, Stores and Grain at the Presidency and Out-stations, under charge of the Commissariat, on ditto		- - -	11,48,753
Medicines, Surgical Instruments, and Utensils at the Dispensary at Madras and Subordinates, ditto		- - -	3,51,419
Agent for supplies of Broad Cloth to officers of the Army		- - -	36,762
Agent for Army clothing		- - -	6,27,447
Unadjusted Accounts		- - -	37,58,895
	M.Rs.	*2,40,66,055	*3,94,59,461

* Amount per Account of Stock per Computation for 1829, India and England, (Appendix, No. 18.) - - - - - - - - - - *Rs.* 5,99,13,338

Add, Value of Ordnance and Military Stores in use, included under head of Dead Stock - - - - - - - - *Rs.* 30,74,299

Advances to Officers and Servants of the late Nabobs of the Carnatic - - - - - - - - - - - - 5,37,879

36,12,178

Rs. 6,35,25,516

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

No. 9.—BOMBAY.

DEBTS, 1814.

CIVIL DEPARTMENT:	Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
General:		
Debts bearing 6 per Cent. Interest:	B.Rs.	B.Rs.
General Register of 6 per Cent. Promissory Notes	22,47,100	
Bombay Civil Fund	1,79,994	
Accountant-general to Court of Recorder	2,40,172	
Register to the Recorder's Court, for Assets of the Estates of deceased persons in course of administration	2,93,032	
Deposits on account Mint Security	50,000	
Ditto Native Servants going with Passengers to England	54,875	
Purvoes Fund	44,110	
Demands not bearing Interest:		
Promissory Notes of 6 per Cent. Loan, advertized for payment, but not demanded	1,500	
8 per Cent. Loan ditto	10,034	
10 – Decennial ditto	3,000	
12 – Loan	5,676	
9 – ditto	10,363	
Treasury Bills	6,900	
Deposits on account Estates of deceased Military Officers	15,440	
9 per Cent. Old Bonds, advertized for payment, but not demanded	1,05,045	
Bombay Hospital	1,000	
Agent of Captors of Broach and Coolies	7,666	
Account Deposits (Old)	33,449	
Captors of Fort Augustus	13,631	
Prize Agents for the Captors of Broach	8,170	
Captors of Mahi	19,153	
Ditto - Rice-boats near Tellicherry	11,013	
Bussorah, due Sundries (as per List)	47,177	
Arrears	- - -	1,02,617
Revenue Arrears	31,426	54,304
Judicial ditto	- - -	35,891
Marine ditto	- - -	5,17,181
Military ditto	- - -	5,99,506
– Debts	- - -	7,67,938
B.Rs.	34,39,926	20,77,437

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

No. 10.—BOMBAY.

ASSETS, 1814.

	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims, not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
CIVIL DEPARTMENT:		
General:		
Presidency:	*B.Rs.*	*B.Rs.*
Treasury - - - Cash - - - - - - - - -	25,67,740	
Postmaster-general ditto - - - - - - - - -	3,347	
Civil Paymaster - ditto - - - - - - - - -	31,488	
Mints - - - - ditto - - - - - - - - -	10,000	
Subordinates - - ditto - - - - - - - - -	4,95,824	
Good Debts:		
Rajah of Collapoor - - - - - - - - - -	90,388	
Gungagee Bhicajee - - - - - - - - - -	1,665	
Samuel Ince - - - - - - - - - - -	38,655	
Bussorah - - - - - - - - - - - -	9,693	
Surat - - - - - - - - - - - -	1,604	
Guzerat - - - - - - - - - - - -	7,789	
Revenue:		
Presidency and Subordinates:		
Cash - - - - - - - - - - - -	9,35,325	
Deemed recoverable, 1812–13 - - - - - - - -	- - -	11,696
Account, 1810–11 - - - - - - - - - -	- - -	15,343
Ditto 1811–12 - - - - - - - - - -	- - -	857
Ditto former years - - - - - - - - -	- - -	1,099
Ditto current year - - - - - - - - -	- - -	5,72,038
Debts - - - - - - - - - - -	- - -	6,706
Tuckavy, or Advances - - - - - - - - -	204	
Grain, &c - - - - - - - - - - -	- - -	12,119
Customs:		
Cash - - - - - - - - - - - -	804	
Customs outstanding - - - - - - - - - -	- - -	7,342
Judicial:		
Cash - - - - - - - - - - - -	12,677	
Costs on Suits, &c. Salsette - - - - - - - -	- - -	726
Surat - - - - - - - - - -	- - -	967
Kaira - - - - - - - - - -	- - -	4,883
Marine:		
Cash - - - - - - - - - - - -	9,277	
Debts outstanding:		
Marine Paymaster - - - - - - - - - -	- - -	11,027
William Ashburner - - - - - - - - - -	- - -	31,962
William Freeman - - - - - - - - - -	- - -	23,375
Alexander Maconochie - - - - - - - - -	- - -	30,526
Surat Artificers - - - - - - - - - -	- - -	4,080
Deputy Marine Paymaster at Surat - - - - - - -	- - -	8,172
Advances:		
To Commanders of Packets and Agent of Transports - - -	- - -	10,053
On account Timber at Malabar - - - - - - - -	- - -	13,577
Stores:		
Presidency - - - - - - - - - - -	- - -	18,48,190
Surat - - - - - - - - - - -	- - -	4,100
Conservator of the Forests in Malabar - - - - - - -	- - -	59,789
MILITARY DEPARTMENT:		
Cash - - - - - - - - - - - -	7,93,684	
Debts - - - - - - - - - - - -	- - -	16,99,474
Stores:		
Presidency - - - - - - - - - - -	- - -	65,21,454
Surat - - - - - - - - - - -	- - -	17,341
Bushire - - - - - - - - - - -	- - -	1,64,863
B.Rs.	50,10,164	1,10,81,759

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

No. 11.—BOMBAY.

DEBTS, 1829.

	Items falling under the description of Debt Incurred in the Cash View.	Other Items, exclusive of such as have been rejected in the Home Adjustment.
CIVIL DEPARTMENT:		
General:		
Debts bearing 8 per Cent. Interest:	*B.Rs.*	*B.Rs.*
Provident Fund	7,77,797	
Bombay Military ditto	11,23,354	
Ditto, 6 per Cent. ditto:		
Civil Annuity Fund	13,60,234	
Annuity Fund of Futtch Ollah Khan	40,000	
Elphinstone Professorships	1,68,659	
Sir Edward West's Scholarships and Prizes	11,400	
Warden's Official Fund	4,04,320	
Ditto, 4 per Cent. ditto:		
Deposits on account Native Servants going with Passengers to England	40,800	
Accountant-general to the Supreme Court of Judicature at Bombay	9,85,204	
Demands not bearing Interest:		
General Register of Promissory Notes	500	
Promissory Notes of the Old 6 per Cent. Loan, advertized for payment but not demanded	1,500	
8 per Cent. ditto, of 1801-2 - - - ditto	2,129	
Ditto - - of 1808-9 - - - ditto	1,000	
10 per Cent. Decennial Loan - - ditto	3,000	
12 ditto (Old)	5,675	
Treasury Bills (ditto)	4,800	
Prize Property captured by Troops under the orders of the Bombay Government, &c.	11,77,716	
Bombay Town Hall Lotteries	11,555	
Treasury Notes	1,03,600	
Town Hall Committee	1,139	
Deposits on account Pirated Property	42	
Ditto - - - Estates of deceased European Commissioned, Non-commissioned and Warrant Officers and Soldiers in Hon. Company's service	7,062	
Ditto - - - ditto - - - Native Officers and Sepoys, ditto	18,128	
Ditto - - - ditto - - - Persons deceased in service of ditto	15,333	
Ditto - - - ditto - - - Estates of deceased Military Officers	66	
Ditto - - - ditto - - - Sea Customs and Town Duties	5,11,227	
9 per Cent. Old Bonds advertized for payment but not demanded	1,05,045	
Bombay Hospital	1,000	
Agent for Captors of Broach	7,666	
Account Deposits (Old)	33,449	
Captors of Fort Augustus	13,631	
Ditto - - - Myhee	19,153	
Ditto - - - Rice Boats and Tellicherry	11,013	
Arrears, General	- - -	2,14,934
Ditto, Revenue	14,220	6,84,459
Ditto, Judicial	- - -	82,497
Ditto, Marine	- - -	1,49,172
Ditto, Military	- - -	15,81,141
B.Rs.	*69,81,417	*27,12,203

* Amount per Account of Stock per Computation for 1829, India and England, (Appendix, No. 18.) - - - - - - - - - *Rs.* 97,36,585

Deduct, Adjustments of Sundry Items - - - - - - - - - 42,965

Rs. 96,93,620

No. 12.—BOMBAY.

ASSETS, 1829.

CIVIL DEPARTMENT:	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
	B.Rs.	*B.Rs.*
General:		
Cash	77,13,604	
Debts:		
Managers of Civil Annuity Fund	- - -	5,24,055
Tinwady Urzoonjee Nathjee	- - -	1,71,103
Rajah of Collapore	- - -	70,118
Gugajee Phiceajee	- - -	1,665
Baroda Residency	- - -	16,885
Bussora ditto	- - -	9,693
Cattle:		
Marine	- - -	579
Revenue:		
Cash	56,58,721	
Account of 1826–27	- - -	1,69,113
Ditto - 1827–28	- - -	3,79,657
Ditto - former years	- - -	8,94,614
Ditto - current year	- - -	45,86,854
Debts, &c.:		
Southern Concan	- - -	1,38,486
Northern ditto	- - -	2,41,122
Surat	- - -	88,607
Eastern Zillah, North of Myhee	- - -	15,383
Ahmedabad	- - -	97,673
Ahmednugger	- - -	1,13,464
Tuckavey, or Advances:		
Southern Concan	9	
Northern ditto	8,980	
Surat	38,955	
Broach	14,369	
Ahmedabad	14,663	
Ahmednugger	46,619	
Grain, &c.:		
Southern Concan	- - -	200
Northern ditto	- - -	1,734
Opium Department	- - -	11,56,280
Customs:		
Cash	67,993	

(continued)

Appendix, No. 9.

Statement of Debts and Assets in India, in 1814 and 1829.

CIVIL DEPARTMENT—*continued.*	Cash and Credits resulting from Advances of Cash which have not been stated as Charge.	Stores, Revenue Balances and other Claims not falling under the description of those in the first Column, exclusive of such as have been rejected in the Home Adjustment.
	B.Rs.	*B.Rs.*
Judicial:		
Costs on Suits, &c.:		
Southern Concan		4,200
Northern ditto		9,011
Surat		7,997
Ahmedabad		17,545
Eastern Zillah, North of Myhee		2,281
Candeish		357
Marine:		
Cash	1,41,533	
Debts:		
Marine Paymaster		2,26,509
Surat Artificers		13,834
Agent for purchase of Timber in Malabar and Canara		11,091
Advances to Commanders, Agents of Transports, &c.		63,619
Stores:		
Presidency		8,14,763
Surat		3,104
Agent for purchase of Timber in Malabar and Canara		126
MILITARY DEPARTMENT:		
Cash	21,10,033	
Stores, Presidency		1,01,48,133
B.Rs.	*1,58,15,479	*2,00,19,855

* Amount per Account of Stock per Computation, India and England, 1829, (Appendix, No. 18.)	*Rs.*	3,60,52,550
Deduct, Sundry Adjustments in Revenue Balances		2,17,216
	Rs.	3,58,35,334

MEMORANDUM of the Amount and Particulars of the Registered and other Debts due by the Company, at the Three Presidencies, on 30th April 1829, according to the preceding Statement.

DESCRIPTION OF DEBT.		AMOUNT of DEBT.	ANNUAL INTEREST.	REMARKS.
BENGAL Debt at Interest	S.Rs.	£.	£.	
10 per Cent. Loan, transferred from Fort Marlbro' - - - -	18,505	2,147	214	- - the principal part to be discharged on the death of an individual.
5 per Cent. Loan, 30th June 1822	7,47,11,200	8,666,499	519,990	- - irredeemable until the expiration of the present Charter of the Company, and then notice of 15 months to be given previously to discharge.
Ditto - - from His Excellency the Vizier - - - - -	56,39,089	654,134	39,248	- - the Interest has been assigned by the Vizier, in stipends to individuals, by consent of the Company, and the principal is supposed to be repayable as those individuals die off.
Ditto - - Her late Highness the Bhow Begum's Stipend Fund -	55,98,435	649,418	38,965	- - supposed to be permanent, the Interest having been assigned to individuals in India, by the Begum, in perpetuity, by consent of the Company.
6 per Cent. Loan renewed for a further term of seven years - - -	6,68,292	77,522	4,651	in course of payment.
Ditto - - Notes issued to the Prize Agents for Captors of Java - -	3,22,016	37,354	2,241	supposed to be dischargeable at any time.
Ditto - - Deposits of the Revenue Department - - - -	3,021	350	21	
5 per Cent. Loan of 31st March 1823	9,16,95,500	10,636,678	531,834	- - no part was payable till after 31st March 1825, and then only 1 ½ Crore in any one year, after 60 days notice.
Ditto - - of 19th May 1825 -	9,41,54,300	10,921,899	546,095	- - no part was dischargeable till after 30th April 1832, and then previous notice of three months to be given.
Ditto - - from His Majesty the King of Oude -	1,55,39,650	1,802,599	90,130	- - supposed to be permanent, the Interest having been assigned by the Vizier in stipends to his dependants, by consent of the Company.
Ditto - - from Scindiah's Government - - -	60,22,585	698,620	34,931	dischargeable at any time.
Ditto - - from Rajah Kurm Sing, of Puttialla, and certain other natives of rank -	41,53,427	481,798	24,090	ditto.
4 per Cent. Loan of 13 September 1824	12,31,100	142,808	5,712	- - no part was dischargeable till after 30th April 1830, and then previous notice of three months to be given.
Ditto - - of 1828–29 - -	9,42,200	109,295	4,372	- - no part was payable till after 30th April 1832, and then previous notice of three months to be given.
Ditto - - from Mobaruck Ool Nissa Begum - - -	16,267	1,887	75	dischargeable at any time.
Treasury Notes, at various rates of Interest - - - - -	25,45,280	295,252	15,944	for the most part immediately dischargeable.
Civil Service Annuity Fund, at 6 per Cent - - - - - -	30,25,332	350,939	21,056	a permanent and increasing demand.
Bhurtpore Captured Property and Deccan Prize Fund, at 5 per Cent.	26,81,105	311,008	15,550	repayable on demand.
Bengal Debt at Interest - - £.		35,840,207	1,895,119	
Not at Interest:				
Sinking Fund - S.Rs.	2,39,96,763	£. 2,783,624	- -	- - securities purchased by the Commissioners for the Reduction of the Company's Debt.
Bonds, Notes, &c. ordered for payment, but payment not demanded - -	11,29,334	131,003	- -	payable on demand.
Deposits in Civil and Military Departments, &c. - -	1,66,59,795	1,932,536	- -	repayable on demand.
Interest, Arrears of Allowance, &c. - -	3,79,68,321	4,404,326	- -	dischargeable at any time.
		9,251,489		
Total Debt of Bengal, carried forward - - £.		45,091,696	1,895,119	

DESCRIPTION OF DEBT.			AMOUNT of DEBT.	ANNUAL. INTEREST.	REMARKS.
			£.	£.	
Brought forward - - -			45,091,696	1,895,119	
MADRAS Debt at Interest:	M.Rs.				
8 and 6 per Cent. Permanent Loans	2,62,131		29,958	2,149	- - consisting of deposits made by Natives, &c. for various charitable purposes.
6 per Cent. Funds of Charitable Institutions - - - - - -	24,500		2,800	168	supposed to be dischargeable at any time.
6 per Cent. Notes of 1811 - -	9,08,611		1,03,841	6,230	ditto.
5 per Cent. Notes issued in payment of Carnatic Debts - - -	55,000		6,286	314	ditto.
4 per Cent. ditto - - - -	3,15,500		36,057	1,442	ditto.
8 per Cent. Deposits of Old Civil Annuity Fund, and of Military Fund, &c. - - - - -	40,45,994		462,399	36,992	repayable on demand.
6 per Cent. Carnatic Fund - -	1,99,93,073		2,284,923	137,095	- - this is a deposit consisting of the Balance of the Fund, set apart from the Carnatic Revenues, for liquidation of the Debts of the late Nabobs of the Carnatic.
6 per Cent. Civil Annuity Fund -	12,30,248		140,600	8,436	a permanent and increasing deposit.
6 per Cent. Balance due Government Bank, Deposits, &c. - -	8,38,855		95,869	5,752	- - the Bank being a Government establishment, the Balance due to it is merely a nominal debt. The Deposits, &c. are repayable on demand.
5 per Cent. Deposits - - -	3,080		352	17	
Madras Debt at Interest - £.			3,163,085	198,595	
Not at Interest:					
Mint Certificates - M.Rs.	1,13,148	£. 12,931	- -	- -	- - these Certificates invariably become payable a short period after they are issued.
Bonds advertised for payment, but payment not demanded - - -	4,03,940	46,165	- -	- -	repayable on demand.
Deposits, &c. in the Civil Departments - -	42,78,314	488,950			
Unadjusted Balances in the Civil and Military Departments - - -	44,49,073	508,465	- -	- -	dischargeable at any time.
			1,056,511		
Total Debt of Madras - - £.			4,219,596	198,595	
BOMBAY Debt at Interest:	B.Rs.		£.	£.	
8 per Cent. Provident and Military Funds - - - - - -	19,01,151		213,879	17,110	repayable on demand.
6 per Cent. Civil Annuity Fund, &c.	19,84,613		223,269	13,396	- - the principal part a permanent and increasing demand.
4 per Cent. Deposits - - -	10,26,004		115,425	4,617	repayable on demand.
Bombay Debt at Interest - - £.			552,573	35,123	
Not at Interest:	B.Rs.				
Bonds, &c. ordered for payment, but payment not demanded; Deposits, &c. - - -	20,69,649	£. 232,836	- -	- -	repayable on demand.
Arrears due in the Civil and Military Departments - - -	27,12,203	305,123	- -	- -	dischargeable at any time.
			537,959		
Total Debt of Bombay - - - - £.			1,090,532	35,123	
Total Debts at the Three Presidencies, at Interest - - - - - £.			39,604,840	2,128,837	
GRAND TOTAL DEBTS at the Three Presidencies, including 2,783,624 *l.* discharged by the operation of the Sinking Fund - £.			50,401,824	2,128,837	

Appendix, No. 10.

Appendix, No. 10.

Extract Letter from Government of Bengal, 17 August 1812.

Extract LETTER from Governor-general in Council at *Bengal* (Financial Department); dated 17th August 1812.

Par. 87. THE public creditors will not be entitled to demand payment of their notes, as heretofore at any time, by bills on England, and such bills will never be granted otherwise than by a deliberate act of your government in India, who cannot be presumed to be so far wanting in their public duty as voluntarily and unnecessarily to throw any large demand upon the Home Treasury, without being well assured of its ability to meet it, and without having the express authority of your Honourable Court for that purpose.

Appendix, No. 11.

Appendix, No. 11.

Extract Letter from Government of Bengal, 1 May 1821.

Extract LETTER from Governor-general in Council at *Bengal* (Financial Department); dated 1st May 1821.

Par. 13. WE have resolved under the recommendation of our Accountant-general to adopt immediate measures for effecting a transfer of the whole of the bonds of 1811 into a loan, of which both principal and interest shall be payable solely in India, and of thus placing about half of the registered debt of India out of the condition to prove burdensome on the Home Treasury.

Appendix, No. 12.

Appendix, No. 12.

Extracts Letter from Government of Bengal, 18 February 1822.

Extracts LETTER from Governor-general in Council at *Bengal*, (Financial Department); dated 18th February 1822.

Par. 7. WE have now the honour of forwarding to you copies of two Reports from our Accountant-general, wherein he proposes that the whole of the existing remittable loans be advertised for payment on the 30th April next, and that at the same time a new transfer loan be opened, subject to the following conditions:

1st. In regard to the principal of this loan, that it shall be absolutely irredeemable during the period of the present Charter; that the bonds, if paid off after the expiration of the Charter, shall be payable at the option of the holder, in cash or in bills on the Honourable Court, at the rate of 2*s.* 6*d.* the sicca rupee, at 12 months date, and that previously to payment, a notice of 15 months shall be given.

2d. In respect to the interest, that this shall be payable in cash only, if the proprietor be resident in India; but that proprietors resident in Europe shall have the option of receiving payment in bills on your Honourable Court at the exchange of 2*s.* 1*d.* the rupee.

8. It is further proposed by Mr. Sherer, that this loan shall be kept entirely distinct from the remainder of the registered debt of this presidency, and shall be enrolled in a separate register by itself.

9. The grounds on which Mr. Sherer founds his several recommendations, your Honourable Court will find fully explained in the papers now transmitted, to which therefore we beg permission to refer you. The reasons assigned by him appear to us satisfactorily to demonstrate the general expediency of the measure, and we feel entirely satisfied of our ability to give effect to it without casting on the Home Treasury any demand beyond the funds which we are fully prepared to supply.

10. The high value indeed now borne by the non-remittable bonds, combined with the special advantages which will attach to the new loan, and the circumstances adverted to by Mr. Sherer, seems to afford a strong assurance that a very inconsiderable amount of bills will be taken out in payment of the principal of the advertised bonds, and that such of the public creditors as may have left instructions with their agents to remit, will readily meet a proposition from your Honourable Court, for the reinvestment of that debt, should you see fit to give the option.

11. Under these circumstances, we feel satisfied that your Honourable Court will approve our having resolved on the immediate adoption of the plan proposed by Mr. Sherer.

Appendix, No. 13.

Appendix, No. 13.

Extract Letter from Government of Bengal, 31 December 1824.

Extract LETTER from the Governor-general in Council at *Bengal*, (Financial Department); dated 31st December 1824.

Par. 11. WE resolved, on the recommendation of our Accountant-general, to open a general loan, bearing an interest of four per cent., having previously authorized the issue of Treasury notes in liquidation of demands on the General Treasury here, and ascertained that subscriptions to a considerable extent might be expected.

Appendix, No. 14.

Appendix, No. 14.

Extract Letter from Government of Bengal, 4 August 1825.

Extract LETTER from Governor-general in Council at *Bengal*, (Financial Department); dated 4th August 1825.

Par. 18. WE resolved on the 19th May last to open a five per cent. loan. For reasons explained at length on our proceedings, it appeared to be expedient and proper in the first instance to restrict subscriptions to the holders of four per cent. promissory notes, and to allow them the option of transferring these notes to the five per cent. loan, on condition of their paying an equal sum in cash.

Appendix, No. 15.

Appendix, No. 15.

Extract Letter from Government of Bengal, 3 July 1828.

Extract LETTER from the Governor-general in Council at *Bengal*, (Financial Department); dated 3d July 1828.

Par. 1. WE have the honour of informing your Honourable Court that we have resolved to close the five per cent. loan, and at the same to keep our treasuries open for the receipt of any sums that may be tendered in loan at an interest of four per cent.

Appendix, No. 16.

Appendix, No. 16.

Letter from Accountant-general, at Bengal to Officiating Secretary, 23 May 1831.

Copy LETTER from the Accountant-general at *Bengal* to the Officiating Secretary to the Government of *Bengal*; dated 23d May 1831.

Sir,

I HAVE the honour to submit for the information of the Honourable the Vice President in Council, and eventually to be forwarded to the Honourable Court of Directors, a Statement of the amount of the registered debt held by Europeans and natives respectively, as required by the home authorities, under date the 5th August 1829.

I have, &c.

C. Morley, Accountant-general.

STATEMENT of the AMOUNT standing on the General Registers of this Presidency on the 30th April 1830, in the Names of Europeans and Natives.

	EUROPEANS.	NATIVES.	TOTAL.
	S. Rs.	*S. Rs.*	*S. Rs.*
6 per cent. Loan, of 1822 - - -	7,03,43,500	43,68,700	7,47,12,200
5 per cent. ditto, of 31 March 1823 -	7,09,87,800	2,06,39,700	9,16,27,500
5 per cent. ditto, of 1825-26 - -	5,32,74,800	4,08,79,500	9,41,54,300
5 per cent. ditto, of 1829-30 - -	19,51,700	7,01,300	26,53,000
4 per cent. ditto, of 1824-25 - -	3,13,000	5,86,200	8,99,200
4 per cent. ditto, of 1828-29 - -	6,63,600	5,84,100	12,47,700
S. Rs.	19,75,34,400	6,77,59,500	* 26,52,93,900

* At the rate in use in the Parliamentary Accounts, viz. 2*s.* per current rupee, the amount in sterling is as follows:

Europeans - - - - - -	£. 22,913,990
Natives - - - - - -	7,860,102
Total - - -	£. 30,774,092

(Errors excepted.)

Fort William, 23 May 1832. (signed) *C. Morley*, Acc[t] Gen[l].

Appendix, No. 17.

STOCK per Computation of the East India Company (exclusive of their CAPITAL STOCK) on the 1st May 1814, both in *India* and in *England*; the Indian Stock Accounts calculated at the Rates of 2*s.* for the Current Rupee, 2*s.* 3*d.* the Bombay Rupee, 8*s.* the Pagoda, and 6*s.* 8*d.* for the China Tale.

Appendix, No. 17.

Appendix, No. 17.

Account of Stock of the East India Company on 1 May 1814.

STOCK per Computation of the East India Company (exclusive of their CAPITAL STOCK) on of 2 *s.* for the Current Rupee, 2 *s.* 3 *d.* the Bombay Rupee,

Dr.

TERRITORIAL AND POLITICAL DEBTS ABROAD.				
India Debt bearing Interest, on 1st May 1814:				
BENGAL:		*S.Rs.*		
Loans at 8 per cent. - - - - - - -		46,26,000		
Ditto - 6 - ditto - - - - - - -		20,62,38,730		
Promissory Notes at 6 per cent. granted to the captors of Java. (The amount discharged in England in 1814–15 is not deducted as was done in the Account made up for England 1st May 1815, and India 1st May 1814) - - - - - -		18,04,870		
Treasury notes at 5 per cent. - - - - -		5,500		
Ditto - - - 6 - ditto - - - - - -		1,88,100		
			C.R.	£.
	S.Rs.	21,28,63,200	24,69,21,312	a' 2/ 24,692,131
FORT ST. GEORGE:				
Loans at 8 per cent. - - - - -	*Pags.*	44,000		
Ditto - 6 - ditto - - - - - - - -		3,63,315		
Other Debts bearing Interest, including the Carnatic Fund - - - - - - - - - -		43,98,985	*Pags.*	
			48,06,300	a' 8/ 1,922,520
BOMBAY:				
Loans at 6 per cent. - - - - -	*B.Rs.*	22,47,100		
Other Debts bearing Interest - - - - -		8,62,183	*B.Rs.*	
			31,09,283	a' 2/3 349,794
BENCOOLEN (transferred from Commercial Branch, in conformity with the principle of classification adopted since 1814:)			£.	26,964,445
			S.Ds.	
Promissory Notes - - - - - - - - - -			25,364	a' 5/ 6,341
Total Territorial Debts in India on 1st May 1814, bearing Interest -				26,970,786
Debts in India not bearing Interest, on 1st May 1814:				
			£.	
Bengal, including arrears of Interest and Allowances - - - *S.Rs.* 2,74,70,107 -	*C.R.*	3,18,65,324	3,186,532	
Fort St. George - ditto - - -	*Pags.*	10,83,593	433,437	
Bombay - - ditto - - -	*B.Rs.*	24,08,080	270,909	
Prince of Wales' Island and Malacca, ditto	*Sp.D.*	132,281	a' 5/ 33,070	
			3,923,948	
Bencoolen, ditto, (transferred as above) - -		99,545	24,886	
Total Territorial Debts in India on 1st May 1814, not bearing Interest				3,948,834
TOTAL Territorial and Political Debts Abroad, carried forward - -				30,919,620

Appendix, No. 17.

1st May 1814, both in *India* and in *England*; the Indian Stock Accounts calculated at the Rates 8 *s.* the Pagoda, and 6 *s.* 8 *d.* for the China Tale.

Appendix, No. 17.

Account of Stock of the East India Company on 1 May 1814.

Cr.

TERRITORIAL AND POLITICAL CREDITS ABROAD.				
Cash and Bills receivable in the several Departments, on 1st May 1814:			£.	£.
Bengal - - *S.Rs.* 2,18,79,904 - *C.R.*		2,53,80,688	2,538,068	
Fort St. George - - - *Pags.* 64,45,330				
Consignment of Treasure sent to Bombay, not arrived at that Presidency on 30th April 1814) - - -	78,855	65,24,185	2,609,674	
Bombay - - - - - - - *B.Rs.*		48,60,166	546,768	
Prince of Wales' Island and Malacca - *Sp.D.*		1,12,858	28,214	
			5,722,724	
St. Helena, 30th September 1814 - - - - - - -			28,994	
			5,751,718	
Bencoolen (transferred from the Commercial Branch, in conformity with the principle of classification adopted subsequently to 1814) - - *Sp.D.*		203,940	a' 5/ 50,985	5,802,703
Stores in the several Departments, on 1st May 1814:			£.	
Bengal (including Salt and Opium) - - *S.Rs.* 128,98,647 - *C.R.*		1,49,62,430	1,496,243	
Fort St. George - - - - - *Pags.*		34,53,769	1,381,508	
Bombay - - - - - - - *B.Rs.*		86,27,856	970,633	
Prince of Wales' Island and Malacca - *Sp.D.*		510,884	127,721	
			3,976,105	
St. Helena, 30th September 1814 - - - - - -			133,138	
			4,109,243	
Bencoolen (transferred as above), including Import and Export Goods - - - - - *Sp.D.*		337,083	a' 5/ 84,271	4,193,514
Debts owing to the Company (including Arrears of Revenue), on 1st May 1814:			£.	
Bengal (including Salt and Opium) - - *S.Rs.* 1,42,69,529 - *C.R.*		1,65,52,654	1,655,265	
Fort St. George (including Salt and Customs) *Pags.*		78,21,057	3,128,423	
Bombay, including Customs - - *B.Rs.*		26,03,901	292,938	
Prince of Wales' Island and Malacca - *Sp.Ds.*		152,152	38,038	
			5,114,664	
Bencoolen, transferred as above - - *Sp.Ds.*		405,018	101,254	5,215,918
TOTAL Territorial and Political Credits Abroad, carried forward - - - £.				15,212,135

Appendix, No. 17.

Account of Stock of the East India Company on 1 May 1814.

Dr - - - - - No. 17.—STOCK per Computation of the East India Company on

		£.
TOTAL Territorial and Political Debts Abroad, brought forward - -		30,919,620
TERRITORIAL AND POLITICAL DEBTS AT HOME, ON 1st MAY 1814:		
	£.	
Bills of Exchange unpaid from India, drawn in liquidation of Principal and Interest of Indian Debts, &c., comprising all Bills drawn up to the close of the Indian year of account 1813-14 -	1,396,914	
The Public, for a Loan in 1812, a' 5*l.* 5*s.* 7$\frac{1}{5}$*d.* per cent. per annum, deducting the amount redeemed - - - -	2,272,623	
Interest on the above Loan - - - - - - -	21,500	
Warrants passed the Court unpaid - - - - - - -	9,000	3,700,037
TOTAL Territorial and Political Debts Abroad and at Home - £.		34,619,657
COMMERCIAL DEBTS ABROAD, ON 1st MAY 1814:	£.	
Bengal - - - *S.Rs.* 12,35,475 - *C.R.* 14,33,151	143,315	
Fort St. George - - - - - - - *M.R.* —	—	
Bombay - - - - - - - - *B.R.* 3,88,502	43,706	
£.	187,021	
China - - - - - - - - *Tales* 328,815	109,605	
Commercial Debts Abroad - - £.	296,626	
Carried forward - - - £.	296,626	34,619,657

1st May 1814, both in *India* and in *England—continued.* - - - - - - - Cr.

				£.
TOTAL Territorial and Political Credits Abroad, brought forward - -				15,212,135
TERRITORIAL AND POLITICAL CREDITS AT HOME AND AFLOAT, ON 1st MAY 1814;				
What due from His Majesty's Government for Stores and Supplies, Expeditions, &c. old Account - -	£. 960,000			
Ditto on account of recent Expeditions, taking the Expenditure both in India and England, to 1st May 1814, including Interest to that date - - - -	2,218,215		£. 3,178,215	
Cargoes afloat outward of Territorial Stores consigned to Prince of Wales' Island - - - - - - - - - - -			31,244	
Treasure afloat homeward, consignment from Madras, per Stirling Castle - - - - - - - - - -			280,000	
* What the Company paid for their Dead Stock in India - -			400,000	
* *Memorandum*:—The Amount of Dead Stock in India for which credit is above taken as a Territorial Asset, was created by an Expenditure incurred long before the commencement of the Company's Territorial Administration in India; such Expenditure therefore must necessarily have been wholly defrayed from Commercial Funds, and the credit given to Territory for the property thence resulting has reference only to its use and occupation (for the greater part) for Territorial purposes.				3,889,459
TOTAL Territorial and Political Credits Abroad and at Home - £.				19,101,594
COMMERCIAL CREDITS ABROAD, 1st MAY 1814:				
Cash in the Commercial Departments, 1st May 1814.			£.	
Bengal - - - - *S.Rs.* 8,04,250 - *C.R.*		9,32,930	93,293	
Fort St. George - - - - - - *Pags.*		1,37,925	55,170	
Bombay - - - - - - - *B.R.*		68,430	7,698	
			156,161	
China - - - - *Tales* 283,310 - £.		94,437		
Cape of Good Hope - *R.D.* 85,802 a'4/ and 84 per cent. premium		9,326		
			103,763	
Goods and Merchandize in the Export Warehouses at the Factories, &c. 1st May 1814.				
Bengal - *S.Rs.* 46,82,649 - *C.R.*	54,31,873	£. 543,187		
Fort St. George - - - - *Pags.*	10,98,058	439,223		
Bombay - - - - - *B.R.*	14,93,985	168,073		
		1,150,483		
China - - - - - - *Tales*	498,465	166,155		
			1,316,638	
Goods and Merchandize in the Import Warehouses, 1st May 1814.				
Bengal - *S.Rs.* 63,22,903 - *C.R.*	73,34,567	£. 733,457		
Fort St. George - - - - *Pags.*	8,01,497	320,599		
Bombay - - - - - *B.R.*	16,63,526	187,146		
	£.	1,241,202		
China - - - - *Tales* 19,631	6,544			
Cape of Good Hope - *R.D.* 434,517	47,230	53,774		
			1,294,976	
Debts owing to the Company, including Advances for the Investment, on May 1814.				
Bengal - *S.Rs.* 52,23,382 - *C.R.*	60,59,123	£. 605,912		
Fort St. George - - - - *Pags.*	436,215	174,486		
Bombay - - - - - *B.R.*	7,67,666	86,362		
	£.			
China - - - - *Tales* 1,792,593	597,531	866,760		
Cape of Good Hope, *R.D.* 463,666 a'4/ and 84 per cent. prem. - - -	50,399			
		647,930		
			1,514,690	
Commercial Credits Abroad, carried forward - - - £.			4,386,228	
TOTAL Territorial and Political Credits Abroad and at Home, carried forward £.				19,101,594

Appendix, No. 17.

Account of Stock of the East India Company on 1 May 1814.

Dr - - - - No. 17.—STOCK per Computation of the East India Company on

			£.
TOTAL Territorial and Political Debts Abroad and at Home, brought forward -			34,619,657
Commercial Debts Abroad, brought forward - - £.		296,626	
COMMERCIAL DEBTS AT HOME, ON 1st MAY 1814:			
Bills of Exchange unpaid from China, comprising all Bills drawn to the close of the China season, 1813–14 - - - - - - - -	£. 221,353		
Customs on Goods sold and unsold - - -	124,007		
Bank for a Loan on Mortgage of the Annuities -	700,000		
Interest on Loans from the Bank - - - -	15,300		
Freight and Demorage - - - - -	67,500		
Supracargoes' Commission - - - - -	55,668		
Proprietors of Private Trade, on all Goods sold -	574,000		
Almshouses at Poplar - - - - -	66,289		
Owing for Export Goods - - - - -	474,344		
Warehouse and other contingent Funds - -	27,588		
Warrants unpaid - - - - - -	50,000		
Teas returned by the buyers and resold - -	971		
Dividends on Stock - - - - - -	56,996		
Interest on Bonds - - - - - -	68,555		
		2,502,571	
TOTAL Commercial Debts Abroad and at Home - - - - -			2,799,197
			37,418,854
Add, the Amount of the Company's Home Bond Debt, including Amount advanced on Bonds deposited with the Bank - - - - -			4,601,892
		£.	42,020,746

		£.	
Total Territorial Debts Abroad and at Home - - - -		34,619,657	
Ditto - - Credits - - ditto - - - - - - -		19,101,594	
Balance deficient in the Territorial and Political Branch - £.		15,518,063	
	£.		
Total Commercial Debts Abroad and at Home -	2,799,197		
Ditto - - Credits - - ditto - - -	22,067,935		
Balance in favour in the Commercial Branch - - -		19,268,738	
Balance in favour - - - - - - - -		3,750,675	
Deduct, the Amount of the Company's Home Bond Debt (as above) - - - - - - -		4,601,892	
NET BALANCE deficient, deducting the Home Bond Debt - - £.			851,217

East India House,
22 March 1832.

1st May 1814, both in *India* and in *England—continued.* - - - - - Cr.

			£.
TOTAL Territorial and Political Credits Abroad and at Home, brought forward -			19,101,594
Commercial Credits Abroad, brought forward - -		4,386,228	
COMMERCIAL CREDITS AT HOME AND AFLOAT, ON 1st MAY 1814:			
Due from the Public to the Company, East India Annuities, engrafted on the 3 per cent. Reduced, per Act 33 Geo. 3, c. 47 - - - -	£. 1,207,560		
Cash, its Balance on 1st May 1814 - - -	695,860		
The Amount of Goods sold, not paid for - -	2,844,522		
The Honourable Board of Ordnance, for Saltpetre	77,969		
The value of Goods in England unsold - - -	4,521,552		
Cargoes outward, afloat - - - - -	1,493,162		
Ditto - homeward, afloat - - - - -	3,674,517		
Balance due on Commercial Consignments to Batavia - - - - - - - - -	161,146		
Amount of Goods for export on hand or in course of preparation - - - - - - - -	533,308		
Impress and War Allowances paid Owners of Ships not arrived in England - - - - -	707,797		
Value of Ships, Sloops and Vessels, exclusive of those stationed abroad - - - - - -	84,650		
Due from Government on account of Hemp, including as well the Advances in India as in England, and with the Interest to 1st May 1814 -	528,825		
The value of the East India House and Warehouses	1,138,000		
Due from sundry Persons returned from India and in India, to be repaid in England - - -	12,839		
		17,681,707	
TOTAL Commercial Credits Abroad and Home - - -			22,067,935
		£.	41,169,529
BALANCE Deficient - - -			851,217
		£.	42,020,746

Memorandum:—In the above Statement the Amount of outstanding Home Bond Debt has not been placed to the separate Account either of Territory or of Commerce; but according to a letter from the Court of Directors to the Board of Commissioners, under date the 10th March 1832, this Debt is held by the Court to be Territorial.

IN this Account the article of DEAD STOCK is valued at 400,000 *l.*, which includes Buildings and Fortifications, Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores and other articles of Dead Stock, according to Lord Godolphin's Award in 1702; whereas the whole of the Sums of Money expended in Buildings and Fortifications by the latest advices from the Company's several Settlements for the acquisition and maintenance of their Possessions, and the nearest estimated value of other articles of Dead Stock, is as follows:

	BUILDINGS and FORTIFICATIONS.		Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores, &c.		TOTAL.
	Political.	Commercial.	Political.	Commercial.	
	£.	£.	£.	£.	£.
Bengal - - - -	5,304,607	325,540	1,735,105	35,449	7,400,701
Madras - - -	1,893,204	38,015	466,112	8,594	2,405,925
Bombay - - -	1,455,387	5,594	293,527	53,979	1,808,487
Bencoolen - - -	246,472	- - -	69,855	- - -	316,327
St. Helena - - -	44,350	- - -	98,917	- - -	143,267
Fort Cornwallis, including under the head of Political the amount described in the Indian Statements Commercial	113,059	- - -	19,061	- - -	132,120
Malacca - - -	3,551	- - -	518	- - -	4,069
£.	9,060,630	369,149	2,683,095	98,022	12,210,896

(Errors excepted.) (signed) *T. S. Cabell,*
Depy Acct Genl.

Appendix, No. 18.

Appendix, No. 18.

Account of Stock of the East India Company on 1 May 1829.

STOCK per Computation of the East India Company, on 1st May 1829, both in *India* and in Bombay Rupee, 2 *s.* 3 3/7 *d.* the Madras Rupee (or at 3 1/2 Madras Rupees for a Pagoda

Dr.

TERRITORIAL AND POLITICAL DEBTS ABROAD:			
India Debt bearing Interest, on 1st May 1829:			
BENGAL:	*S.Rs.*		
Loans at 6 per cent. - - - - - - -	8,10,18,581		
Ditto - 5 - ditto - - - - - - -	21,15,65,462		
Ditto - 4 - ditto - - - - - - -	21,89,567		
Her late Highness the Bhow Begum's Stipend Fund	55,98,435		
Treasury Notes - - - - - - - -	25,45,280		
Other Debts and Deposits bearing Interest - -	44,56,711		
		C.Rs.	£.
S.Rs.	30,73,74,036	35,65,53,882	a' 2/ 35,655,388
FORT ST. GEORGE:	*M.Rs.*		
Loans at 8 per cent. - - - - - - -	1,54,000		
Ditto - 6 - ditto - - - - - - -	1,04,631		
Other Debts and Deposits bearing Interest, including the Carnatic Fund - - - - - - -	2,73,46,286		
M.Rs.	2,76,04,917	a' 2/3 3/7	3,154,848
BOMBAY:	*B.Rs.*		
Debts and Deposits bearing Interest at 8 per cent.	19,01,151		
Ditto - - - - ditto - - - 6 ditto -	20,35,431		
Ditto - - - - ditto - - - 4 ditto -	10,26,004	*B.Rs.*	
		49,62,586	a' 2/3 558,291
PRINCE OF WALES' ISLAND, SINGAPORE AND MALACCA:		*S.Rs.*	
Debts and Deposits bearing Interest - - - - - -		80,632	a' 2/ p' C.R. 9,353
Total Territorial Debts in India on 1st May 1829, bearing Interest - £.			39,377,880
Debts in India not bearing Interest, on 1st May 1829:			
		£.	
Bengal, including Arrears of Interest and Allowances - - - *S.Rs.* 8,29,33,116 - *C.Rs.*	9,62,02,414	9,620,241	
Fort St. George - ditto - - - *M.Rs.*	1,01,92,150	1,164,817	
Bombay - - - ditto - - - *B.Rs.*	47,73,999	537,075	
P. W. Island, Singapore and Malacca, ditto - *S.Rs.*	1,36,221	15,802	
£.		11,337,935	
Deduct, the Amount paid in England for Off-reckonings on Furlough and Retirement, beyond the Amount adjusted in the India Books - - - - - - - - - - - - -		676,817	
Total Territorial Debts in India on 1st May 1829, not bearing Interest -			10,661,118
TOTAL Territorial and Political Debts Abroad, carried forward - - £.			50,038,998

Appendix, No. 18.

Appendix, No. 18.

Account of Stock of East India Company on 1 May 1829.

England; the Indian Stock Accounts calculated at the Rates of 2 *s.* the Current Rupee, 2 *s.* 3 *d.* the of 8 *s.*), and 6 *s.* 8 *d.* for the China Tale (exclusive of the COMPANY'S CAPITAL STOCK.)

Cr.

TERRITORIAL AND POLITICAL CREDITS ABROAD.			
Cash and Bills receivable in the several Departments, on 1st May 1829:		£.	
Bengal - - - *S.Rs.* 2,71,30,853 - *C.Rs.*	3,14,71,789	3,147,179	
Fort St. George - - - - - - *M.Rs.*	2,10,27,915	2,403,190	
Bombay - - - - - - - *B.Rs.*	1,56,91,884	1,765,337	
Prince of Wales' Island, Singapore, and Malacca - - - - - - - - *S.Rs.*	2,47,490	28,709	
	£.	7,344,415	
St. Helena - - - - - - - - - - - -		22,881	
			7,367,296
Advances made in England to several Public Institutions repayable in India, not realized in India at the close of the Official Year 1828–29 - - - - - - - - - - - -		- - -	87,429
Stores in the several Departments on 1st May 1829:			
Bengal - - - *S.Rs.* 2,66,82,180 - *C.Rs.*	3,09,51,329	3,095,133	
Fort St. George - - - - - - *M.Rs.*	1,94,41,988	2,221,941	
Bombay - - - - - - - *B.Rs.*	1,21,24,919	1,364,054	
Prince of Wales' Island, Singapore and Malacca - - - - - - - *S.Rs.*	8,07,088	93,622	
	£.	6,774,750	
St. Helena - - - - - - - - - - - -		147,467	
			6,922,217
Debts owing to the Company, including Arrears of Revenue, on 1st May 1829:			
Bengal - - - *S.Rs.* 4,80,06,132 - *C.Rs.*	5,56,87,113	5,568,711	
Fort St. George - - - - - - *M.Rs.*	1,94,43,435	2,222,107	
Bombay - - - - - - - *B.Rs.*	82,35,747	926,521	
Prince of Wales' Island, Singapore and Malacca - - - - - - - *S.Rs.*	2,25,282	26,133	
	£.	8,743,472	
St. Helena - - - - - - - - - - - -		4,592	
			8,748,064
Amount of Securities purchased by the Commissioners for the the reduction of the Company's Debts in India, included in the Amount of Debt, per Contra - - - - - - *S.Rs.*		2,39,96,763	2,783,624
TOTAL Territorial and Political Credits Abroad, carried forward - - £.			25,908,630

Appendix, No. 18.

Account of Stock of the East India Company on 1 May 1829.

Dr - - - - - - No. 18.—Stock per Computation of the East India Company

			£.
Total Territorial and Political Debts Abroad, brought forward - -			50,038,998
TERRITORIAL AND POLITICAL DEBTS AT HOME, ON 1st MAY 1829:		£.	
Bills of Exchange unpaid from India and St. Helena, drawn in liquidation of Principal and Interest of Indian Debt, &c.; comprising all Bills drawn up to the close of the Indian Year of Account, 1828–29 - - - - - - - - -		1,152,966	
Warrants passed the Court unpaid - - - - - - -		78,646	
Owing for Territorial Stores provided for Exportation - - -		54,711	
Unclaimed Prize Money, applicable to Lord Clive's Fund (Act 1 & 2 Geo. 4), bearing Interest at 5 per cent. - - - -		68,287	
The Commercial Branch for Territorial and Political Payments made in England, from 1st May 1814 to 1st May 1829 (including Interest) - - - - - - - - - - - -		4,631,906	
His Majesty's Government; balance due on account of Pay-office and all other demands in the Territorial Department, taking the Receipt and Expenditure on account of His Majesty's Government both in India and in England, to 1st May 1829 - -		630,605	
			6,617,121
Total Territorial and Political Debts Abroad and at Home - - £.			56,656,119
COMMERCIAL DEBTS ABROAD, ON 1st MAY 1829:		£.	
Bengal, including Arrears - S.Rs. 12,64,500 - C.Rs.	14,66,820	146,682	
Fort St. George, ditto - - - - M.Rs.	4,126	471	
Bombay - - ditto - - - - B.Rs.	72,721	8,181	
		155,334	
China, (23d February 1829) - - - Tales	592	197	
Bills payable drawn from Canton on Bengal, omitted to be stated as a Debt upon the Bengal Quick Stocks - - - - - S.Rs.	6,77,987 a' 2/ p'C.R.	78,646	
Commercial Debts Abroad - - £.		234,177	
Carried forward - - £.		234,177	56,656,119

on 1st May 1829, both in *India* and in *England—continued.* - - - - - - Cr.

Account of Stock of the East India Company on 1st May 1829.

			£.
TOTAL Territorial and Political Credits Abroad, brought forward - -			25,908,630
TERRITORIAL AND POLITICAL CREDITS AT HOME AND AFLOAT OUTWARD, ON 1st MAY 1829.		£.	
Cargoes of Territorial Stores afloat outward, on 1st May 1829 -		359,598	
Amount of Territorial Exports in hand, or in course of preparation, on 1st May 1829 - - - - - - - - -		113,958	
What owing from sundry persons for Advances, repayable in England - - - - - - - - - - - -		26,149	
Bills of Exchange drawn on His Majesty's Government for Supplies furnished in India, unpaid 1st May 1829 - - - -		80,229	
Value of Carnatic Stock belonging to the Company - - -		34,037	
Value of the East India College at Haileybury and of the Military Seminary at Addiscombe - - - - - - - -		177,220	
Due from His Majesty's Government for an Advance made at the Cape of Good Hope, given credit for to the Commercial Branch on being transferred for Adjustment in the General Government Account - - - - - - - - - - - -		18,203	
Balances in hands of Officers of the House, &c. of Sums advanced to pay Political Charges - - - - - - - -		3,670	
What the Company paid for their Dead Stock in India - -		* 400,000	
			1,213,064
* The Amount of Dead Stock in India for which Credit is above taken as a Territorial Asset, was created by an Expenditure incurred long before the commencement of the Company's Territorial Administration in India, such Expenditure, therefore, must necessarily have been wholly defrayed from Commercial Funds, and the Credit given to the Territory for the property thence resulting, has reference only to its use and occupation (for the greater part) for Territorial purposes.			
TOTAL Territorial and Political Credits Abroad and at Home - - £.			27,121,694
COMMERCIAL CREDITS ABROAD, ON 1st MAY 1829.			
Cash in the Commercial Department, 1st May 1829.			£.
Bengal - - - *S.Rs.* 24,12,942 - *C.Rs.*		27,99,013	279,901
Fort St. George - - - - - - *M.Rs.*		1,94,570	22,237
Bombay - - - - - - - *B.Rs.*		1,48,728	16,732
			318,870
China (23 February 1829) *Tales* - 55,036 - £.		18,345	
Cape of Good Hope - - - - - - -		2,799	
			21,144
			340,014
Goods and Merchandize in the Import Warehouses, 1st May 1829:		£.	
Bengal - - *S.Rs.* 2,18,702 - *C.Rs.*	2,53,694	25,369	
Fort St. George - - *M.Rs.*	79,368	9,071	
Bombay - - - *B.Rs.*	2,28,250	25,678	
		60,118	
China (23 Feb. 1829), *Tales* 6,595 -	£. 2,198		
Cape of Good Hope - - -	57,161		
		59,359	
			119,477
Commercial Credits Abroad, carried forward - - £.			459,491
TOTAL Territorial and Political Credits, Abroad and at Home, carried forward, £.			27,121,694

Appendix, No. 18.

Account of Stock of the East India Company on 1 May 1829.

Dr - - - - - No. 18.—STOCK per computation of the East India Company

			£.
TOTAL Territorial and Political Debts Abroad and at Home, brought forward -			56,656,119
Commercial Debts Abroad, brought forward - £.		234,177	

* The Balances on account of Sunn Hemp provided for His Majesty's Government, which have been continued in the Quick Stocks, are deducted in the above Account; these items having been settled in account with His Majesty's Government in England, under the heads of

	S.Rs.
Goods in the Export Warehouse at Bengal -	3,04,893
Debts owing, including Advances at ditto -	1,75,492
S.Rs.	4,80,385

COMMERCIAL DEBTS AT HOME, ON 1st MAY 1829.

	£.
Bills of Exchange unpaid from China, comprising all Bills drawn to the close of the China Season, 1828–29 - - - - - - - - -	140,747
Customs - - - - - - - - -	2,013
Freight and demorage - - - - - - -	240,500
Supracargoes' Commission upon all Goods sold and unsold - - - - - - - - -	60,890
Proprietors of Private Trade upon all Goods sold -	370,067
Almshouses at Poplar (Poplar Fund) bearing Interest at 5 per cent. per annum - - - -	245,342
Unclaimed Prize Money applicable to ditto (Act 1 & 2 Geo. 4) - - ditto - - ditto - -	36,670
Ditto, of which the appropriation has not yet been ascertained - - - - - - - -	43
Commercial Debts at Home, carried forward £.	1,096,272

Carried forward - - - £.	234,177	56,656,119

on 1st May 1829, both in *India* and in *England—continued.* - - - - - - Cr.

					£.
TOTAL Territorial and Political Credits, Abroad and at Home, brought forward					27,121,694
Commercial Credits Abroad, brought forward - - £.				459,491	
Goods and Merchandize in the Export Warehouses, 1st May 1829.					
* Bengal - *S.Rs.* 60,27,992 - *C.Rs.*		69,92,472	£. 699,247		
Fort St. George - - *M.Rs.*		18,00,924	205,820		
Bombay - - - *B.Rs.*		1,30,863	14,722		
			919,789		
China (23 Feb. 1829) - - *Tales*		1,105,704	368,568		
				1,288,357	
Debts owing to the Company, including Advances for Investment, on 1st May 1829.					
* Bengal - *S.Rs.* 90,45,788 - *C.Rs.*		1,04,93,114	£. 1,049,311		
Fort St. George - - *M.Rs.*		7,58,064	86,636		
Bombay - - - *B.Rs.*		9,68,176	108,920		
			£. 1,244,867		
China (23 Feb. 1829) *Tales* 132,712		£. 44,237			
Cape of Good Hope - - -		3,508			
			47,745		
				1,292,612	
Advances on account of Investment, &c. at Surat and Malabar, omitted in Bombay Quick Stocks, *B.Rs.*			3,07,162	34,556	
Amount of Property in the North American Colonies, on 1st May 1829, and Afloat from China.					
CANADA:		£.			
Cash - - - - Halifax currency		213			
Unsold Goods - - — -		184,388			
		£. 184,601			
a' 4/1 ½ sterling for a currency dollar of 5/ - £. sterlg			152,296		
HALIFAX:		£.			
Cash - - - - Halifax currency		4,214			
Unsold Goods - - — - -		66,471			
Debts - - - — - - -		2,586			
		£. 73,271			
a' 4/6 for a currency dollar of 5/ and 12 per cent. premium - - - - £. sterling		58,880			
Add Cargoes Afloat, between China and Halifax, on 1st May 1829, *Tales* 277,666 a' 6/8 - - - - - -		92,555			
			151,435		
				303,731	
Commercial Credits Abroad - - - £.				3,378,747	
COMMERCIAL CREDITS AT HOME AND AFLOAT, ON 1st MAY 1829.					
			£.		
What due from the Public to the Company, East India Annuities engrafted on the 3 per cents. reduced, per Act 33 Geo. 3, c. 47 - - -			1,207,560		
Cash, its balance on 1st May 1829 - - -			1,081,563		
Amount of Goods sold not paid for - - -			891,616		
Value of Goods in England unsold - - -			5,597,959		
Export Goods on hand, and in course of preparation			172,602		
Cargoes afloat outward - - - - -			522,408		
Cargoes afloat homeward - - - - -			2,813,252		
Remittances from British North American Colonies, *in transitu* - - - - - - -			10,725		
Impress paid Owners of Ships not arrived in England			92,957		
Value of Ships, Sloops and Vessels, exclusive of those stationed abroad - - - - - -			173,199		
Commercial Credits at Home, carried forward £.			12,563,841		
Carried forward - - - £.				3,378,747	27,121,694

Appendix, No. 18.

Account of Stock of the East India Company on 1 May 1829.

Dr - - - - - - No. 18.—Stock per Computation of the East India Company

			£.
Total Territorial and Political Debts Abroad and at Home, brought forward -			56,656,119
Commercial Debts Abroad, brought forward - - £.		234,177	
Commercial Debts at Home, brought forward £.	1,096,272		
Warrants passed the Court unpaid - - -	44,192		
What owing for Teas returned by the buyers and resold - - - - - - - -	971		
Dividends on Stock - - - - - - -	48,407		
Interest on Bonds - - - - - - -	30,126		
Owing for Export Goods - - - - - -	62,992		
Amount owing to the Fee Funds and Widows' Funds, the latter bearing Interest at 5 per cent. - -	6,504		
Amount due to the Trustees of the Deccan Booty, on Consignments of Bullion from the Prize Funds in India - - - - - - - - - -	10,762		
		1,300,226	
Total Commercial Debts Abroad and at Home - - -			1,534,403
Add,			
The Amount of the Company's Home Bond Debt, bearing Interest		3,780,475	
Ditto - - - not bearing Interest - - - - - -		15,417	
			3,795,892
		£.	61,986,414

	£.	£.	£.
Total Territorial and Political Debts Abroad and at Home - - - - - - - - - -	56,656,119		
Ditto - - - - - - Credits ditto - -	27,121,694		
Balance deficient in the Territorial and Political Branch -		29,534,425	
Total Commercial Debts Abroad and at Home £.	1,534,403		
Ditto - - - Credits ditto - - - - -	22,636,585		
Balance in favour, in the Commercial Branch - - -		21,102,182	
Balance deficient - - - - - - - - -		8,432,243	
Add, the Amount of the Company's Home Bond Debt, as above - - - - - - -		3,795,892	
Total Balance deficient, including the Home Bond Debt - - £.			12,228,135

East India House,
29 August 1832.

1st May 1829, both in *India* and in *England—continued.* - - - - - - - Cr.

			£.
TOTAL Territorial and Political Credits Abroad and at Home, brought forward -			27 121,694
Commercial Credits Abroad, brought forward - - - £.		3,378,747	
Commercial Credits at Home and Afloat, brought forward - - - - -	£. 12,563,841		
Value of the East India House and Warehouses -	1,294,768		
What owing from sundry persons for advances repayable in England - - - - - - -	* 6,333		
Balances in hands of officers of the house and warehouse-keepers, of sums advanced to pay commercial charges - - - - - - - -	48		
Stock in the Public Funds standing in the Company's name, valued at the market prices on 1st May 1829	760,942		
Territorial Branch for Territorial and Political Payments made in England between 1st May 1814 and 1st May 1829, (including interest) - -	* 4,631,906		
		19,257,838	
TOTAL Commercial Credits Abroad and at Home - - -			22,636,585
		£.	49,758,279
BALANCE Deficient - - -			12,228,135
		£.	61,986,414

* The Balance due to the Commercial Branch is subject to adjustment, with reference to the amount with which the Territorial Branch is chargeable in respect to the loss upon Consignments of Merchandize, made with a view to meet the demands upon the Home Treasury for Bills of Exchange drawn for Interest of India Debt, in conformity with the Plan of 1814, for the arrangement of the Home Accounts.

In the period from 1st May 1814 to 1st May 1829, there has also been advanced or set apart from the Surplus Commercial Profits in England, the sum of 4,923,021 *l.* towards the liquidation of Indian Territorial Debt, which being a Payment under the fourth head of Appropriation of the 57th section of the 53 Geo. 3, is not held to constitute a Claim upon the Territorial Department for repayment, upon the principle observed in respect to other Political Advances.

In the above Statement, the Amount of the Outstanding Home Bond Debt has not been placed to the separate account, either of Territory or of Commerce; but according to a Letter from the Court of Directors to the Board of Commissioners, under date the 10th March 1832, this Debt is held by the Court to be Territorial.

IN the above Account the article of DEAD STOCK is valued at 400,000*l.* which includes Buildings and Fortifications, Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores and other articles of Dead Stock, according to Lord Godolphin's Award in the Year 1702; whereas the whole of Sums of Money expended in Buildings and Fortifications by the latest advices from the Company's several settlements, for the acquisition and maintenance of their Possessions, and the nearest estimated value of other articles of Dead Stock, is as follows:

	BUILDINGS and FORTIFICATIONS.		Plate, Household Furniture, Plantations, Farms, Sloops, Vessels, Stores, &c.		TOTAL.
	Political.	Commercial.	Political.	Commercial.	
	£.	£.	£.	£.	£.
Bengal, 30th April 1829	6,148,977	380,266	4,016,150	22,569	10,567,962
Madras - - -	2,102,045	39,592	440,378	20,287	2,602,302
Bombay - - -	1,778,254	91,818	425,436	1,674	2,297,182
St. Helena - - -	1,22,612	- - -	18,933	- - -	141,545
Prince of Wales' Island -	169,774	- - -	62,465	- - -	232,239
Singapore - - -	15,583	- - -	3,040	- - -	18,623
Malacca - - -	1,696	- - -	2,086	- - -	3,782
China, 23d February 1829	- - -	3,883	- - -	6,239	10,122
£.	10,338,941	515,559	4,968,488	50,769	15,873,757

(Errors excepted.)

Thos S. Cabell,
Acct Genl.

Appendix, No. 19.

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

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India Board, Westminster, 16 March 1832.

CORRESPONDENCE.

LETTER from *Thomas P. Courtenay*, Esq. to *James Cobb*, Esq.; dated India Board, 7th January 1818.

Sir,

THE Commissioners for the Affairs of India, having taken into their consideration the Act of the 53d of the King, c. 155, with reference to the appropriations of the net proceeds of the sales of goods, and all commercial profits, &c. in Great Britain, have directed me to request that you will move the Court of Directors that information may be furnished to the Board, whether any measures have been adopted or are in contemplation, to carry into effect the appropriation prescribed under the 4th head in the 57th section of the said Act.

I am, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 31st January 1818.

Sir,

YOUR letter of the 7th instant, addressed to Mr. Cobb, referring to the subject of the appropriations of net proceeds, &c. contained in the Act of the 53d of the King, and requesting that information be furnished the Board of Commissioners for the Affairs of India, whether any measures have been adopted, or are in contemplation, to carry into effect the appropriation prescribed under the 4th head of the 57th section of the Act, has been duly submitted to the Court of Directors.

I have the Court's commands to inform you, that by certain accounts which I am directed to transmit to you for the information of the Board of Commissioners, it will be apparent to the Board that the Court deem the surplus applicable to the appropriation under the 4th head of the 57th section to have amounted, in the years 1814–15, 1815–16, and 1816–17, to 1,979,032 *l.* *Vide* Appendix 1 to 4.

From this aggregate surplus, the Court have appropriated in the same period 718,248 *l.* in discharge of Indian debt, and 628,300 *l.* in reduction of the home-bond debt, by bonds paid off or paid in for goods bought at the sales; the total sum appropriated being 1,346,548 *l.*; for which appropriations the Court of Directors have to request the approbation of the Board of Commissioners.

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

The Board will perceive that the sum of 632,484 *l.* of the aggregate surplus still remains unappropriated.

The Court of Directors, however, have it not in contemplation at present to adopt measures for a further appropriation; they deem it inexpedient to do so for many reasons, principally because the constitution of the Company's home financial operations induces at all times the necessity of maintaining a large and available balance of cash in the Treasury.

The uncertainty of the amount of the drafts from India on account of the interest on Indian debt will alone evidence this necessity; but the Court have now an additional reason for so doing, with a view to provide for the payment of such part of the principal of the home-bond debt as may be demanded by the holders after the 31st March next, in consequence of the notice issued for the reduction of its interest; and although, from the present price of these securities in the money-market, the Court do not apprehend that demands for the payment of principal will to any magnitude be made upon the Company, yet the Court deem it prudent to be prepared for any contingency.

The Board will necessarily observe, in the accounts herewith transmitted, a charge for a premium of insurance at a certain per-centage, to cover losses by sea.

The Court have directed the introduction of this charge for the purpose of framing the Company's accounts upon the correct principle of mercantile transactions, and of creating, by an aggregate of premiums, a fund to provide against losses of extreme magnitude, to the end that these losses should not operate in any one year in suspension or diminution of the dividend to the proprietors.

It may be said that the profit of the Company's insurance account is as much within the purview of the Act as any other commercial profit; but the Court of Directors are persuaded it can by no means be held to follow, that the total amount of risks annually terminated ought to be considered in the light of available profit, while other risks of great account are undecided. The rate of premium is formed not singly in reference to the operations of one or two years, but to an average of years. This desire of the Court of Directors to create an insurance fund is not new, or for the first time brought to the notice of the Board; but the proposal is now renewed, with some modifications, which the Court trust will induce a re-consideration of the subject, and remove the objections formerly urged against it.

The Court of Directors therefore propose to charge a premium of insurance upon the commercial exports, imports and shipping of the Company; that the amount of these premiums be passed to the credit of an account, entitled "General Sea Insurance Account," and all losses to its debit; that the amount of premiums beyond losses, which on 1st May 1817 amounted to 332,776 *l.*, be allowed to accumulate until a fund be created to the amount of 500,000 *l.*; that all accumulation beyond this sum of 500,000 *l.* be carried to the credit of profit and loss, and thus form a part of the sum to be appropriated under the Act of the 53d. If losses occur so as to reduce the balance below 500,000 *l.*, the application of premiums to profit and loss to be suspended until the balance shall again exceed that amount.

The Board will perceive that the intention of this arrangement is to afford an additional security for the dividend, but at the same time without appropriating the profit or the excess of the insurance fund to other than its legitimate object. The application of the surplus profit to the purposes of the 4th head of the 57th clause is not defeated, but merely delayed.

The object in view might be obtained were the Company to effect insurances at the offices in London, or at Lloyd's Coffee-house; and the premiums so expended would constitute a portion of the Company's commercial outgoings; but in this case, the profit of the insurance would not rest with the Company, and the appropriations under the 4th head of the 57th section of the Act would be permanently affected.

The advantage of the Court's proposal is therefore so clearly manifest, that the Court rely with great confidence upon the sanction of the Board of Commissioners for its being immediately carried into effect.

I have the honour to be, &c.

(signed) *J. Dart*, Assistant Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *James Cobb*, Esq.; dated India Board, 17th February 1818.

Sir,

I HAVE to acknowledge the receipt of the letter from Mr. Dart, of the 31st ult. with its enclosures, relating to the appropriation of the surplus profits of the trade of the East India Company in England, from 1st May 1814 to 30th April 1817. Having brought the same under the consideration of the Commissioners for the Affairs of India, I am instructed to request that you will signify to the Court of Directors, that previously to entering into the matter of your letter, the Board conceive it necessary to be furnished with further information on the following points:

1st. The deduction from the profit of 4 per cent. on the prime cost of the investment, as an insurance to cover losses by sea. The Board, in considering the proposal of the Court on this point, as communicated in your letter, have necessarily had reference to the plan of arrangement for keeping the books of account in England, as approved by them, and transmitted with my letter of 30th June 1814, in which the charge is objected to; also to my letter of 24th February 1815, expressing the opinion of the Board, that insurance could not

not be legally introduced in the manner proposed by the Court, in the Circular Commercial Draft, No. 82; which draft was therefore disapproved. Information is requested whether the question as to the legality of the institution of an insurance fund in the manner proposed, has been submitted for the opinion of the law officers of the Company?

2d. The interest on the balance due from the territorial branch at the close of the years 1814–15 and 1815–16, not invested for consignment to England, conformably to the provisions of the Act of the 53 Geo. 3. The principle of this charge has not yet been submitted to the Board. The Board desire that an account may be forthwith prepared, exhibiting in detail the manner in which the alleged balance in each year was produced, and the grounds upon which interest thereon is proposed to be charged by the commercial to the territorial department.

3d. A specification of the particulars of the sums stated to have been appropriated to the discharge of the Indian debt in the years 1814–15, 1815–16 and 1816–17, so far as relates to the description of loans thus liquidated.

4th. A specification of the sums stated to have been appropriated in reduction of the home-bond debt in the same years; distinguishing the bonds paid off from the bonds paid in for goods; stating likewise, whether such bonds, so paid off and paid in, have been cancelled, or are held re-issuable.

5th. A specification of the particulars of charges merchandize in the same years.

I am, &c.

(signed) *Tho. P. Courtenay.*

LETTER from *Thomas P. Courtenay*, Esq. to *James Cobb*, Esq.; dated India Board, 29th May 1818.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will call the attention of the Court of Directors to my letter of 17th February last, requiring further information upon certain points connected with the appropriation of the surplus profits of the East India Company in England, and that you will signify the desire of the Board that such information may be furnished forthwith, so far as practicable.

I am, &c.

(signed) *Tho. P. Courtenay.*

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 23d July 1818.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will again call the attention of the Court of Directors to my letter to Mr. Cobb, of 17th Feb., calling for explanations respecting the appropriation of the surplus profits of the trade of the East India Company, and which call was repeated by direction of the Board, in my letter of 29th May, and that you will acquaint the Court that the Board desire to be furnished with the information required therein without further delay.

I am, &c.

(signed) *Tho. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 12th August 1818.

Sir,

YOUR letter of the 17th February last, addressed to the late Secretary, Mr. Cobb, requiring further information upon certain points relating to the appropriation of the surplus profits of the trade of the East India Company in England, from the 1st May 1814 to the 30th April 1817, has been laid before the Court of Directors, and I am commanded to transmit the following observations in reply to the several points contained in that letter, and which will be adverted to in the order in which they have been propounded.

Information required by the Board.	Replies.
1st. The deduction from the profit of 4 per Cent. on the prime cost of the investment, as an insurance to cover losses by sea: information is requested whether the question as to the legality of the institution of an Insurance Fund in the manner proposed, has been submitted for the opinion of the law officers of the Company?	By a reference to my letter of the 31st January last, addressed to you by order of the Court, for the information of the Board of Commissioners, it will be perceived that the object had in view by the Court of Directors, in the introduction into the accounts of the charge of insurance, was for the purpose of framing the Company's accounts upon the correct principles of mercantile transactions, and to create, by an aggregate of premiums, a fund to provide against losses

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

Information required by the Board.

Replies.

losses of extreme magnitude, to the end that these losses should not operate in any one year in suspension or diminution of the dividend to the proprietors.

Although the Court have not distinctly submitted the question as to the legality of the institution of an insurance fund for the opinion of the law officers of the Company, they have directed a case to be prepared, having reference to the several Charters and Acts of Parliament under which the Company were originally constituted, and their affairs from time to time revised and regulated; which case contains the following queries for the joint opinion of the Attorney and Solicitor-general, and Mr. Serjeant Bosanquet.

1st. "Whether the East India Company are required to make an annual statement of profit and loss?"

2dly. "Whether the Company are bound to deal with, and treat as profit, the whole balance appearing in their favour in any one year, without making any deduction or reservation for contingent losses and adventures, or for such sums as may be likely to be wanted for territorial purposes?"

3dly. "Whether the Company are bound, after satisfying the first appropriations in 53 Geo. 3, c. 155, s. 57, annually to apply the whole apparent balance, without any deduction or reservation, in extinction of debt, under the 4th appropriation?"

The Opinion of Counsel is as follows:

"We are of opinion that the East India Company are not required to make an annual statement of profit and loss upon their commercial concerns, in the accounts which they render to Parliament; but that it is sufficient for them to state in those accounts the several particulars enumerated in the 33 Geo. 3, c. 52, s. 16, under distinct heads, for the territorial, political and commercial branches of their affairs, conformably to the directions of the 53 Geo. 3, c. 155, s. 64.

"Although it may be necessary, for the purpose of enabling the Company to judge what sums may be applicable to the several appropriations directed by the 53 Geo. 3, c. 155, that estimates of their profit and loss should be made every year, we think that such estimates are not to be considered as conclusive statements by the Company of the amount of their actual profit or loss; and that in such estimates they are not bound to treat as profit the whole cash balance appearing in their favour in any one year, without making reasonable deductions and reservations for contingent losses, as well as for such payments as they may be called upon to make for territorial purposes.

"We are consequently of opinion, that the Company are not bound, after satisfying the three first appropriations directed by the 53 Geo. 3, c. 155, s. 57. annually to apply the whole apparent balance in extinction of debt under the fourth appropriation, without making such reasonable reductions and reservations as we have already mentioned."

It hence appears that the Company are not bound to treat as profit the whole cash balance appearing in their favour in any one year, nor after satisfying the three first appropriations of the 53d, are they bound annually to apply the whole apparent balance in extinction of debt under the fourth appropriation, without making reasonable deductions and reservations for contingent losses.

I am, therefore, directed to acquaint you, for the information of the Board of Commissioners, that this principle being admitted by the Board, it will be unnecessary at present to persevere in the mode detailed to you in my letter of the 31st January last, in respect to the insurance account, except so far as to introduce a charge for insurance into their accounts, for the purpose of exhibiting those accounts on a correct mercantile principle; but the profit apparent on the insurance account will be added to other annual profits, and together be subject to the appropriations of the Act of the 53d.

2dly. That an account may be forthwith prepared, exhibiting in detail the manner in which the alleged balance due from the territorial branch, at the close of the years 1814–15 and 1815–16, was produced, and the grounds upon which interest thereon is proposed to be charged by the commercial to the territorial department.

The accounts, exhibiting in detail the manner in which the balance due from the territorial branch is produced, are herewith transmitted (*No. 1.); the grounds upon which interest is proposed to be charged by the commercial to the territorial department, are chiefly as follows:

The Act of the 53d directed a separation of the accounts of the East India Company into

* *Vide* Appendix, No 5, (1 and 2.)

Information required by the Board.	Replies.
	into the two branches of territory and commerce; an exposition of this Act was transmitted to India, in a despatch from the public department dated 6th September 1813. The 18th paragraph of this letter states, that "We (the Court) cannot more distinctly explain our views of the sections of the Act which have now been brought under notice, (viz. the 55th and 56th sections) than by observing, that although the management of the whole as one concern remains with us, it is requisite that the political branch should be considered as an affair of government, the commercial as that of a *mercantile transaction*, and by debiting and crediting in account the transactions between them in advances and supplies, as if they were absolutely distinct and separate concerns, so that accounts of receipt, expenditure and balance may be duly rendered by each respectively, in the way required by Parliament." It will be observed, that in this despatch the commercial branch of the Company's affairs is directed to be considered in the light of a mercantile transaction; the Court apprehend that the charge for interest on any balance resulting from such transaction is in strict conformity with the mercantile principle; the Board itself has in effect recognized the application of this principle, in the approbation of certain paragraphs contained in a commercial despatch to Bombay, under date the 9th April 1817. In that despatch, the Bombay government was instructed as to the mode of stating the accounts respectively between the territorial and the commercial departments, the 7th paragraph of which is as follows: "We also desire that the charge for interest," (interest contained in invoices for Europe) "be omitted, for although in the adjustment of payments between the commercial and political branches, the *charge for interest will justly attach on the balance of those payments*, yet this charge must be founded on a general balance of the disbursements respectively made at all the presidencies of India, as well as from our home treasury." The Court are of opinion also, that the charge for interest, and the rate of that interest, may be upheld from another consideration. By the 56th section of the 53d, it is provided, that a sum equal to the payments from the commercial funds at home, on account of territorial charges, should be annually applied in India to investment or remittance to England. In the transactions of the years 1814–15 and 1815–16, the territory has not fulfilled these directions; a large balance is due to the commerce, and to the extent of that balance has the territorial branch been saved the necessity of borrowing money in India. It must also be recollected, that the competency of the Indian governments to repay the advances made from the commercial branch has been and may again be materially circumscribed by the disbursements of those governments on account of His Majesty's service; these disbursements carry interest, for which interest the territory obtains credit; and if the balance due to the commercial branch did not bear interest, that branch would suffer at a time when funds of a sufficient magnitude to liquidate its demand on the territory were running at an Indian interest in the public account.
3rdly. A specification of the particulars of the sums stated to have been appropriated to the discharge of Indian debt, in the years 1814–15, 1815–16 and 1816–17, as far as relates to the description of loans thus liquidated. * *Vide* Appendix, 6.	This account herewith transmitted (*No. 2.)
4thly. A specification of the sums stated to have been appropriated in reduction of the home-bonded debt in the same years, distinguishing the bonds paid off from the bonds paid in for goods, stating likewise whether such bonds, so paid off and paid in, have been cancelled or are held re-issuable. * *Vide* Appendix, 7.	The account specifying these particulars is transmitted (* No. 3.)
5thly. A specification of the particulars of charges merchandize in the same years. * *Vide* Appendix 8 to 10.	* See No. 4.

I have, &c.
(signed) *J. Dart*, Secretary.

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 22d August 1818.

Sir,

HAVING laid before the Commissioners for the Affairs of India your letter of the 12th instant, furnishing information upon certain points of inquiry stated in my letter of the 17th February, I am directed to acquaint you that although the Board defer communicating their sentiments upon several of the matters to which your letter and its enclosures relate, until they shall have given them full consideration, there is one statement to which they cannot forbear calling the earliest attention of the Court, because it appears to the Board to be manifestly inaccurate, and to require immediate correction.

The Paper, No. 3, which accompanied your letter, purports to be a "Specification of the sums appropriated in the years 1814–15, 1815–16 and 1816–17, to the reduction of the Home-Bond Debt." It appears from this Paper, that of the sum of 628,300 *l.* stated to have been so applied, an amount of 100,000 *l.* only has been, in fact, applied to the reduction of debt. The remainder, consisting of bonds amounting to 295,000 *l.* *paid* in upon the Company's sales, and of bonds for 232,500 *l.* *brought up* by the Company; both which classes of bonds, amounting together to 528,300 *l.* are stated as "*not cancelled*," but "*re-issuable*" at the pleasure of the Court. So far as this sum of 528,300 *l.* is concerned, therefore, there is no permanent reduction of debt; nor can that amount be deducted from the amount of "surplus profits remaining to be appropriated," until those bonds shall actually have been *cancelled*, with the approbation of this Board.

With respect to the sum of 100,000 *l.* *really* applied to reduction of debt in the years 1814 and 1815, by cancelling bonds to that amount, the Board feel it their duty to observe, that by the statute, any reduction of bond debt at home (as well as of debt in the East Indies) must be made "with the approbation of the Board of Commissioners." It can hardly be necessary to argue that this approbation must, for any useful purpose, be asked previously to the cancelling of the bonds.

The Board do not mean to withhold their approbation in the present instance, but they trust that the like oversight will be avoided in future.

I am, &c.
(signed) *Thos. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 16th September 1818.

Sir,

I HAVE the honour to transmit to you the accompanying copy of a Resolution of a Secret Court, to forward to India the sum of 500,000 *l.* from the surplus commercial profits of the Company, to be applied to the reduction of the principal of the debt in that country, subject to the approbation of the Right honourable the Board of Commissioners for the Affairs of India, agreeably to the 57th clause of the Act of the 53d Geo. 3, c. 155.

I am commanded to request that you will have the goodness to submit the said Resolution for the approbation of the Board, upon the receipt of which, measures will be taken to carry the same into effect.

I have, &c.
(signed) *J. Dart*, Secretary.

(Enclosure.)

AT a Secret Court of Directors, held on Wednesday, 16th September 1818:

A Report from a Secret Joint Committee of Correspondence and Treasury, dated 11th instant, being read, and

Finance Letter, dated 4th April 1818; Mr. Sherer's, 31st March 1818.

The Court having had under consideration the present state of the finances of the Company, both at home and abroad, and having adverted to the financial letters from Bengal which were read in Court on the 9th instant, as also to a statement of the surplus commercial profits of the Company, which has been laid before the Right honourable the Board of Commissioners for the Affairs of India,

Resolved unanimously, That the sum of 500,000 *l.* from the surplus commercial profits of the Company, be forthwith forwarded to India, to be applied to the reduction of the principal of the debt in that country, subject to the approbation of the Right honourable the Board of Commissioners for the Affairs of India, under the provisions of the 57th clause of the Act of the 53d Geo. 3, c. 155.

(signed) *J. Dart*, Secretary.

LETTER from *John Wright*, Esq. to *Joseph Dart*, Esq.; dated India Board, 18th September 1818.

Sir,

I HAVE received and laid before the Commissioners for the Affairs of India, your letter of the 16th instant, transmitting copy of a Resolution of a Secret Court, to forward to India the sum of 500,000 *l.* from the surplus commercial profits of the Company, to be applied to the reduction of the principal of the debt in that country, and I am directed by the Board to signify their approbation of the same.

I am

I am futher directed to enclose a copy of a letter from the Admiralty, and to state that if, for any reason, the Court should not be prepared to send by the Carron the sum which it appears the Carron is capable of conveying, it will be necessary for the Court to intimate the same to the Admiralty forthwith, in order that the ship may not be further detained.

I am, &c.
(signed) *John Wright*,
Assistant Secretary.

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 2d April 1819.

Sir,

I HAVE the honour to inform you that the Court have this day come to a Resolution of forwarding to India a further sum of 500,000*l.* from the surplus commercial profits in England, to be applied in the redemption of the Indian debt, provided such appropriation of the surplus commercial profit shall meet the approbation of the Right honourable the Board of Commissioners for the Affairs of India.

I have the commands of the Court to transmit to you, for the information of the Board of Commissioners, a copy of this Resolution, for the purpose of obtaining their consent to the appropriation of the surplus commercial profits in the manner now proposed by the Court, agreeably to the provisions of the 57th clause of the Act of the 53 Geo. 3, c. 155.

I have, &c.,
(signed) *J. Dart*, Secretary.

(Enclosure.)

RESOLUTION of a Court of Directors of the East India Company; dated 2d April 1819.

Resolved, That with the approbation of the Right honourable the Board of Commissioners for the Affairs of India, the further sum of 500,000*l.* from the surplus commercial profits of the Company, be sent out to Bengal, which, with the sum of 500,536*l.* 18*s.* 8*d.* already transmitted, will make a sum total of 1,000,536*l.* 18*s.* 8*d.* for the purpose of being applied towards the redemption of the debt in India, agreeably to the provisions of the Act of the 53 Geo. 3, c. 155, s. 57, and of the sinking fund plan, which has already received the approbation of the Court and of the Board of Commissioners for the Affairs of India.

(signed) *J. Dart*, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 5th April 1819.

Sir,

I HAVE received, and laid before the Commissioners for the Affairs of India, your letter of the 2d instant, transmitting a copy of a Resolution of the Court of Directors, for forwarding to India a further sum of 500,000*l.* from the surplus commercial profits in England, to be applied in the redemption of the Indian debt, and I am directed by the Board to signify their approbation of the said Resolution.

I am, &c.,
(signed) *T. P. Courtenay*.

LETTER from the Right hon. *George Canning* to the Chairman and Deputy Chairman of the East India Company; dated India Board, 6th August 1819.

Gentlemen,

ALLOW me to request that you will direct the attention of the Court of Directors to the disposal of the Company's commercial surplus, your intentions respecting which ought, according to the Act of Parliament, to be submitted to this Board without delay.

I have, &c.,
(signed) *George Canning*.

LETTER from the Chairman and Deputy Chairman of the East India Company to the Right hon. *George Canning*; dated East India House, 6th August 1819.

Sir,

WE have the honour to acknowledge the receipt of your letter of this day's date, requesting that the attention of the Court may be directed to the disposal of the Company's commercial surplus, and adding, that the Court's intentions respecting which ought, according to the Act of Parliament, to be submitted to the Board without delay.

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

We beg leave to acquaint you, that we shall avail ourselves of the earliest opportunity to submit the subject of your letter to the consideration of the Court, and to communicate to you the decision which they adopt thereon.

We have, &c.,
(signed) *C. Marjoribanks.*
G. Robinson.

Letter from *Joseph Dart*, Esq. to *Thomas Peregrine Courtenay*, Esq.;
dated East India House, 27th August 1819.

Sir,

IN reference to the letter from the Right hon. the President of the Board of Commissioners for the Affairs of India, under date the 6th instant, I have received the commands of the Court of Directors of the East India Company to transmit to you the accompanying copy of a Resolution adopted by them on the 25th instant, for forwarding to Bengal in the ensuing season the further sum of 500,000*l.*, to be applied towards the redemption of the debt in India, agreeably to the Act of the 53 Geo. 3, c. 155, s. 57, and of the sinking fund plan, lately approved by the Court and the Board.

I am directed to request that you will be pleased to submit the said Resolution for the approbation of the Right hon. Board, in conformity with the provisions of the Act before referred to.

(signed) *J. Dart*, Secretary.

(Enclosure.)

RESOLUTION of a Court of Directors of the East India Company;
dated the 25th of August 1819.

A Report from the Joint Committee of Correspondence and Treasury, dated the 20th instant, being read,

Resolved, That with the approbation of the Right hon. Board of Commissioners for the Affairs of India, the further sum of 500,000*l.* be sent out to Bengal in the ensuing season (which, with the sums already transmitted, will make a total of 1,500,536*l.* 18*s.* 8*d.*) for the purpose of being applied towards the redemption of the debt in India, agreeably to the provisions of the Act of 53 Geo. 3, c. 155, s. 57, and of the sinking fund plan, which has received the approbation of the Court, and the Right honourable the Board of Commissioners for the Affairs of India.

LETTER from *John Wright*, Esq. to *Joseph Dart*, Esq.;
dated India Board, 30th August 1819.

Sir,

I HAVE received, and laid before the Commissioners for the Affairs of India, your letter of the 27th instant, transmitting copy of a Resolution of the Court of Directors for forwarding to India a further sum of 500,000*l.* from the surplus commercial profits in England, to be applied to the redemption of the Indian debt, and I am directed by the Board to signify their approbation of the said Resolution.

(signed) *J. Wright*,
Assistant Secretary.

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.;
dated East India House, 17th September 1819.

Sir,

I HAVE received the commands of the Court of Directors of the East India Company to acquaint you, for the information of the Right honourable the Board of Commissioners for the Affairs of India, that bills of exchange to the amount of twenty-two thousand eight hundred and two pounds eight shillings and five pence (22,802*l.* 8*s.* 5*d.*), drawn from India, in liquidation of Indian debt, have been presented to the Court for acceptance.

The Court therefore request the sanction of the Board to the appropriation of a part of the surplus home profits of the Company in payment of the said bills, agreeably to the Act of 53 Geo. 3, c. 155, s. 57.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.;
dated India Board, 27 September 1819.

Sir,

IN reference to your letter of the 17th instant, I am directed by the Commissioners for the Affairs of India to request that you will move the Court of Directors to furnish the Board with a particular statement of the Indian debts, on acconnt of which the bills mentioned in your letter have been drawn.

I am, &c.
(signed) *T. P. Courtenay.*

LETTER from *Peter Auber*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 7th October 1819.

Sir,

IN compliance with the request contained in your letter of the 27th ultimo, I am directed by the Court of Directors of the East India Company to transmit you the accompanying Statement of the Indian Debts, on account of which the bills mentioned in Mr. Dart's letter to you of the 17th ultimo were drawn.

I have, &c.

(signed) *P. Auber*, Assistant Secretary.

(Enclosure.)

A STATEMENT of the Indian Debts, on account of which the Bills mentioned in the Secretary's Letter to the Board of Commissioners for the Affairs of India, of 17th September, have been drawn.

	£.	s.	d.
BOMBAY:			
On account of Treasury Bills of 1817–18 and 1818–19 - - - - -	18,117	1	10
BENGAL:			
On account of Septennial Loan Obligations, re-invested under the Court's Advertisement, of 12 July 1811 - - - - - - - - -	4,685	6	7
£.	22,802	8	5
Mem.—Bills to the amount above stated are already presented, but by advices received, the total amount of Bombay bills drawn as above, is	21,688	6	5
Ditto, Bengal - - - - - - - - - - - - - - -	4,950	6	7
£.	26,638	13	–

(Errors excepted.)

(signed) *T. G. Lloyd*,
Pro Accountant-general.

East India House, 5 October 1819.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 16th October 1819.

Sir,

IN reference to your letter of the 17th ultimo, and Mr. Auber's of the 7th instant, I am directed by the Commissioners for the Affairs of India to acquaint you, for the Court's information, that it will in their opinion be very proper for the Court to accept the bills, of which the statement is inclosed in Mr. Auber's letter.

But as it appears to the Board that a doubt may possibly be entertained whether the Bombay treasury bills come strictly under the fourth head of appropriation mentioned in the 57th section of the Act 53 Geo. 3, c. 155, under which enactment the Board's approbation is required, they desire that they may not be considered as deciding upon the question of appropriation, upon which it will perhaps be desirable for the Court to take the opinion of their law officers.

I am, &c.

(signed) *T. P. Courtenay*.

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 27th October 1819.

Sir,

I HAVE the commands of the Court of Directors of the East India Company to acknowledge the receipt of your letter of the 16th instant, wherein you signify the opinion of the Board of Commissioners, relative to the Court's accepting the bills of exchange drawn from Bengal and Bombay, for principal and interest on debt.

I am also directed to acquaint you that the Court have received advices of further drafts from Bombay to the extent of 64,845 *l.* 3 *s.* 4 *d.*, on account of principal and interest; and treasury bills of 1817–18 and 1818–19, and the Court therefore request the sanction of the Board of Commissioners to the appropriation of a portion of the surplus home profits, in payment thereof.

It appearing, by accounts received from Bombay, that the total amount of treasury bills issued, containing an option of a remittance to England by bills on the Court at 2 *s.* 6 *d.* per rupee, was 11,13,500 rupees; further drafts may be expected on the same account to the extent of about 52,000 *l.*

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

The Court will submit for the opinion of their law officers the doubts expressed by the Board, whether the Bombay treasury bills come strictly under the fourth head of appropriation, mentioned in the 57th section of the Act of the 53 Geo. 3, c. 155.

I have, &c.
(signed) *J. Dart*, Secretary.

(Enclosure.)

STATEMENT of Bills of Exchange drawn from *Bengal* and *Bombay*, on account of Principal and Interest of Indian Debt, in addition to the Amount referred to in the Secretary's Letter to the Board of Commissioners for the Affairs of India, of the 17th September last.

	£.	s.	d.
BOMBAY:			
On account of Treasury Bills of 1817–18 and 1818–19 - - - -	63,510	3	4
BENGAL:			
On account of Septennial Loan Obligations, re-invested under the Court's Advertisement, of 12th July 1811 - - - - - - - -	* 1,335	–	–

* This bill has been presented for acceptance, but the advice thereof has not been received.

Thomas G. Lloyd,
Accountant's Office, 22 Oct. 1819. Pro Accountant-general.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 30th October 1819.

Sir,

IN reference to your letter of the 27th instant, I am directed by the Commissioners for the Affairs of India to acquaint you, for the information of the Court of Directors, that the Board see no objection to the payment of the bills alluded to in your letter, amounting to 64,845 *l.* 3 *s.* 4 *d.*, but they desire to be understood as accompanying this sanction with a similar reservation to that contained in my letter to you, dated the 16th instant, relative to the Bombay treasury bills.

I am, &c.
(signed) *T. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 25th November 1819.

Sir,

I AM commanded by the Court of Directors of the East India Company to acquaint you, for the information of the Board of Commissioners for the Affairs of India, that in addition to the sums advised in my letters to you of the 17th September and 27th ultimo, to have been drawn from Bombay upon the Court, on account of treasury bills of 1817–18 and 1818–19, and from Bengal on account of principal of the septennial loan, of March and July 1811, and which you state the Board see no objection to the payment of, the following bills of exchange (at present unadvised) have been presented for acceptance; and as the parties to whom the said bills belong are desirous that they should be accepted forthwith, I am directed to request you will obtain the consent of the Board to the appropriation of a further portion of the surplus home profits in liquidation thereof.

I have, &c.
(signed) *J. Dart*, Secretary.

No.	DATE.	AMOUNT. £.	s.	d.	——— £.	s.	d.
	BOMBAY on account of Treasury Bills of 1817–18 and 1818–19:						
103	25 May 1819 - - - -	109	2	6			
109	1 June – - - - -	368	5	11			
121	3 – – - - - -	736	11	10			
123	5 – – - - - -	68	4	–			
127	12 – – - - - -	2,346	3	9			
130	12 – – - - - -	272	16	3			
					3,901	4	3
	BENGAL on account of Principal of the Septennial Loan of 12 July 1811:						
3	31 Dec. 1818 - - - -	-	-	-	1,335	–	

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 21st December 1819.

Sir

IN reference to your letter of the 25th ultimo, I am directed by the Commissioners for the Affairs of India to acquaint you, for the information of the Court of Directors, that the Board see no objection to the payment of the bills alluded to in your letter, amounting to 5,236 *l.* 4 *s.* 3 *d.*, but they desire to be understood as accompanying this sanction with a similar reservation to that contained in my letter to you, dated the 16th October last, relative to the Bombay treasury bills.

I am, at the same time, to express the desire of the Board to be furnished with a copy of any Case which may have been submitted to the law officers in conformity with the suggestion contained in my letter of the 16th October, together with the opinion, if any, given thereon.

I am, &c.
(signed) *T. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 21st April 1820.

Sir,

ADVICES having been received by the ship Albinia, from Bombay, that bills of exchange for the sum of eight thousand three hundred and twenty pounds fifteen shillings and sixpence (8,320 *l.* 15 *s.* 6 *d.*) have been drawn on the Court of Directors of the East India Company, in discharge of treasury bills of 1817–18 and 1818–19, I have received the Court's commands to apprise you thereof, for the information of the Board of Commissioners for the Affairs of India, and to request their sanction for the appropriation of a portion of the surplus home profits of the Company in discharge of the said bills.

I have, &c.
(signed) *J. Dart*, Secy.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 6th May 1820.

Sir,

IN reference to your letter of the 21st ultimo, I am directed by the Commissioners for the Affairs of India to acquaint you, for the information of the Court of Directors, that the Board see no objection to the payment of the bills alluded to in your letter, amounting to 8,320 *l.* 15 *s.* 6 *d.*; but they desire to be understood as accompanying this sanction with a similar reservation to that contained in my letter to you, dated the 16th October last, relative to the Bombay treasury bills.

I am, at the same time, to repeat the desire of the Board to be furnished with the copy of any Case which may have been submitted to the law officers, in conformity with the suggestion contained in my letter, of the 16th October, together with the opinion, if any, given thereon.

I am, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 18th August 1820.

Sir,

IN reference to my former communications to you upon the subject of bills of exchange, advised and drawn from Bombay, on account of treasury bills of 1817–18 and 1818–19, I have received the commands of the Courts of Directors of the East India Company to acquaint you that another bill for the sum of 409 *l.* 4 *s.* 4 *d.* has been drawn and advised on the same account.

The Court therefore request the sanction of the Board of Commissioners for the Affairs of India for the appropriation of a portion of the surplus home profits of the Company in payment of the said bill.

I have, &c.
(signed) *J. Dart*, Secy.

NOTE from *Joseph Dart*, Esq. to *John Wright*, Esq.; dated East India House, 17th October 1820.

MR. DART presents his compliments to Mr. Wright, and transmits herewith the Case prepared by the Company's Solicitor for Mr. Serjeant Bosanquet, with his opinion thereon, respecting the Bombay treasury bills, in conformity with the suggestion contained in Mr. Courtenay's letter of the 6th May last.

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

53 Geo. 3, c. 155, s. 57.

(Enclosure.)

CASE for the East India Company.

And be it further enacted, that for and during the continuance of the possession and government of the said territorial acquisitions and revenues in the said United Company, the net proceeds of their sales of goods at home, with the duties and allowances arising by private trade, and all the commercial profits and other receipts of the said Company in Great Britain, shall be applied and disposed of in manner following; (that is to say,) First, in providing for the payment of bills of exchange already accepted and hereafter to be accepted by the said Company, as the same shall become due: Secondly, in providing for the current payment of other debts (the principal of the bond debt in England always excepted) as well as interest, and the commercial outgoings, charges and expenses of the said Company: Thirdly, in payment of a dividend after the rate of 10 *l.* per centum per annum on the present or any future amount of the capital stock of the said Company, for and during such time as a certain fund of the said Company hereafter mentioned, called "The Company's separate Fund," shall be sufficient to pay a dividend after the rate of 10 *s.* for every 100 *l.* per annum on the present or any future amount of the capital stock of the said Company; and when and so soon as the last-mentioned fund shall be exhausted, then in payment of a dividend at the rate of 10 *l.* 10 *s.* per centum per annum on the then existing or future capital stock of the said Company, provided that no greater demand shall be paid in the whole, in any one year, than at the said rate of 10 *l.* 10 *s.* per centum per annum upon the present or future capital stock of the said Company: Fourthly, in reduction of the principal of the debt in the East Indies or parts aforesaid, or of the bond debt at home, as the said Court of Directors, with the approbation of the said Board of Commissioners, shall from time to time direct, any Act or Acts of Parliament to the contrary notwithstanding.

The Bombay government, having occasion to raise money by loan, issued an advertisement on the 11th February 1818, of which the following is a copy; viz.

"Government Advertisement.

"Financial Department.

"Notice is hereby given, that the General Treasury is now open for the receipt of cash for treasury bills, for any sum, in even hundreds, of not less than 500 rupees, bearing interest for 12 months certain at the rate of three-quarters per cent. per month, and payable, both principal and interest, either in cash at the General Treasury at the option of the holder, or by bills to be drawn on the Honourable Court of Directors, payable twelve months after date, and at the exchange of 2 *s.* 6 *d.* the Bombay rupee, with liberty to the said Court of Directors to postpone the payment of the said bills of exchange for the further term of one, two or three years: interest to be paid for such protracted period half yearly, at the rate of five per cent. per annum.

"Published by order of the Right honourable the Governor in Council.

"Bombay Castle, "11 February 1818." (signed) *F. Warden*, Chief Secretary to Government."

A sum amounting to Bombay rupees 11,13,500, equal to 139,187 *l.* 10 *s.*, was raised upon the terms of this advertisement, and the public were informed on the 13th June 1818 that no further sums would be received at the General Treasury for treasury bills.

The treasury bills issued in consequence of the loan under the above advertisement having become due, some of the holders elected to receive payment by bills of exchange, to be drawn upon the Court of Directors, and bills have accordingly been drawn to the amount of 85,198 *l.* 9 *s.* 9 *d.*, in liquidation of a portion of the above-mentioned sum of rupees 11,13,500.

Communications have taken place between the Court of Directors and the Board of Commissioners upon the subject of the payment of the bills of exchange above mentioned; a copy of the correspondence which has passed is left herewith.

Your opinion is requested, Whether the Court of Directors, with the approbation of the Board of Commissioners, may appropriate funds under the fourth head of appropriation in the 53d Geo. 3, c. 155, s. 57, for payment of the bills of exchange issued in discharge of the Bombay treasury bills above mentioned?

The payment of the bills in question does not appear to me to be a sort of transaction at which the terms of the fourth appropriation in the 57th section of the 53d Geo. 3, c. 155, are immediately pointed. That clause contemplates arrangements originating in England, and made by the Court of Directors, with the approbation of the Board of Commissioners, for the reduction of the principal debt existing in the East Indies at the time of such arrangements.

In the present case, though the money was borrowed in India, it was a part of the terms of the loan that it should be payable, at the option of the lender, by bills on the Directors in England; that part of the debt, therefore, which is payable by the bills in question, is not at this time a debt in the East Indies.

But

But supposing the payment of the bills in question not to be within the meaning of the fourth appropriation, yet, if the loan in respect of which the bills were drawn was made for political and not for commercial purposes, I think that such bills must be considered as "drawn on account of the political charges in India," within the terms of the 58th section, and consequently the liability to pay those bills out of the home profits will, by the terms of that clause, be postponed to the third appropriation in the preceding section; so that whether the payment be considered as made under the fourth appropriation in section 57, or under the proviso contained in section 58, the order in which the funds are to be applied will be the same.

Lincoln's Inn, 11 May 1820. (signed) *J. B. Bosanquet.*

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 18th October 1820.

Sir,

IN answer to your letter of the 18th of August, relative to a bill of exchange drawn from Bombay on account of treasury bills, I am directed by the Commissioners for the Affairs of India to inform you that as the opinion of the Company's counsel, upon the doubt raised in my letter of the 16th of October 1819, has only been this day communicated to the Board, and as this opinion involves some questions which may eventually be important, they are not prepared, at present, to determine that the sum applied to the payment of these bills (which it will nevertheless, in any case, be proper that the Company should pay) should be considered as a portion of the Company's surplus profits, falling under the 4th head of appropriation, in sect. 57 of the Act of 1813.

I am, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 2d February 1821.

Sir,

IN reference to my former communications to you upon the subject of bills of exchange advised and drawn from Bombay on account of treasury bills of 1817–18 and 1818–19, I have received the commands of the Court of Directors of the East India Company to acquaint you, that another bill for the sum of 218*l.* 5*s.* has been drawn and advised on the same account.

The Court, therefore, request the sanction of the Board of Commissioners for the Affairs of India to the appropriation of a portion of the surplus home profits of the Company in payment of the said bill.

I have, &c.
J. Dart, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *J. Dart*, Esq.; dated India Board, 9th February 1821.

Sir,

HAVING laid before the Commissioners for the Affairs of India your letter of the 2d instant, requesting, by order of the Court of Directors, the sanction of the Board to the appropriation of a portion of the surplus home profits of the Company to the payment of a bill of exchange drawn from Bombay on account of a treasury bill of 1817–18 and 1818–19, I am directed by the Board to acquaint you, for the information of the Court of Directors, that having maturely considered the subject since they directed me to write to you on the 18th October last, they do not think the payment of these bills comes properly under the fourth head of appropriation in the 57th section of the Act 53 Geo. 3, c. 155, and consequently that the Board cannot sanction the appropriation of any part of the surplus profits to the purpose required.

The opinion now expressed by the Board is equally applicable to the several bills of the same description mentioned in your letter of 17th September, 27th October, and 25th November 1819, and 19th April and 18th August 1820.

I am, &c.,
(signed) *Thos. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 11th June 1821.

Sir,

I HAVE received the commands of the Court of Directors of the East India Company to acquaint you, for the information of His Majesty's Commissioners for the Affairs of India, that bills of exchange to the amount of 4,290*l.* have been drawn from Bengal on the Court, on account of principal of promissory notes, dated the 31st December 1811.

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The Court therefore request the sanction of the Board to the appropriation of a portion of the surplus home profits of the Company to the payment of the bills in question, in conformity with the 57th section of the Act of the 53d Geo. 3, c. 155.

I have, &c.

J. Dart, Secretary.

LETTER from *T. P. Courtenay*, Esq. to *J. Dart*, Esq.; dated India Board, 14 June 1821.

Sir,

IN reference to your letter of the 11th instant, I am directed by the Commissioners for the Affairs of India to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of the bills of exchange drawn from Bengal, therein mentioned.

I am, &c.,

(signed) *Thos. P. Courtenay.*

LETTER from the Right honourable *Geo. Canning* to the Chairman and Deputy Chairman of the East India Company; dated India Board, 15th December 1819.

Gentlemen,

THE large amount of the surplus which appears to be disposable by the Company under the Act of 1813 having led me to consider the provisions made by that Act, for appropriating the surplus, I am induced to suggest to you the expediency of making a slight change in the order of appropriation to which the surplus is now subject.

By the 53d Geo. 3, c. 155, s. 55, the surplus of territorial revenue may be applied to the reduction of the Company's debt, whether in India or England, or to such other purposes as the Court and the Board may direct. The commercial surplus is to be appropriated (sect. 57) to the reduction of the debt in India or England; and there is not, in regard to this part of the surplus, the discretionary power which is given by the former clause.

The surplus of the whole concern, after the Indian debt shall have been reduced to 10,000,000*l.* and the bond debt to 3,000,000*l.* may be applied (sect. 59) to the more speedy redemption of the loan raised in 1812, and charged by the Act of 1813 (sect. 58) upon the territorial revenues of India.

From these several enactments it appears: First, that the Legislature in 1813 contemplated the reduction of the Indian debt, that is to say, the debt charged upon the territorial revenues of India, by the commercial as well as by the territorial surplus of the Company.

Secondly. That the redemption of that part of the territorial debt which was raised in England is, in the appropriation of the commercial surplus, and in the appropriation of the ultimate surplus in England and India jointly, postponed to the reduction of the Indian debt.

Thirdly. That in the territorial appropriation a latitude is given to the Court and Board, under which the original clause in the Act of 1812, for the more early redemption of the English part of the territorial debt, may be called into action whenever there shall be a surplus of revenue, although the bond and Indian debt should not have been previously reduced to 3,000,000*l.* and 10,000,000*l.* respectively.

In considering, under these circumstances, the most advisable mode of appropriating the present surplus, I apprehend that I may put out of the question the bonded debt, which now amounts only to 3,793,579*l.*, and which, so long as your bonds remain at or above par, there would be no peculiar advantage to the Company, and might be some public inconvenience, in further reducing.

Adverting, then, to the territorial debt, I am naturally led to consider the grounds upon which the reduction of the Indian branch of it has been thought the more desirable appropriation; it appears to me, that as both branches are equally charged upon the Indian revenues, which would, therefore, be proportionally relieved by the redemption of either, that preference must have been founded upon an apprehension that the Indian debt pressed heavily upon the finances and credit of the Indian governments. That this apprehension was groundless, or at least that it is not realized at the present moment, appears clearly, from the facility with which the expenditure of the late war was supplied, and from the present state of the public securities in the Indian markets; and to these indications I can add the authority of the Governor-general, from whom I have received strong representations against the reduction of the Indian debt, and against the remittance of more money to India. Without assigning to those opinions of Lord Hastings a conclusive authority, I may state them as appearing to me to furnish reasonable ground for suspending the course of remittances to India for one season, before the expiration of which we may be enabled to give a more accurate and satisfactory judgment.

In the meantime the surplus must, pursuant to the injunctions of the Act of Parliament, be applied.

The next object of application (according to the Act) is the loan raised in England; and the purport of the present communication accordingly is to suggest the expediency of applying to that object the necessary amount of the present surplus.

There

There are, indeed, at the present time some peculiar reasons for effecting the immediate redemption of this debt. The present price of the stock in which it is funded nearly corresponds with the average price at which the redemption has hitherto been performed, in the seven years which have passed since the creation of the stock; of this period, the larger proportion has been a period of war, and it may reasonably be expected that the price of stocks during the remainder of the period necessary for completing the redemption at the present rate, will be higher than the present average, while the Indian debt will continue to be redeemable at par.

I have not made this suggestion without communicating with the Chancellor of the Exchequer as to any convenience or inconvenience which might be occasioned to the public by the immediate redemption of the loan of 1812. If my suggestion should appear to you to be worth pursuing, I shall be happy to make an appointment with the Chancellor of the Exchequer for a meeting with you, at which I have no doubt an arrangement, satisfactory to the Public and to the Company, might be made.

I have the honour to be, &c.

(signed) *Geo. Canning.*

LETTER from the Chairman and Deputy Chairman of the East India Company to the Right honourable *Geo. Canning*; dated East India House, 17th Dec. 1819.

Sir,

WE have the honour to acknowledge the letter you addressed to us on the 15th instant, in which you have communicated a suggestion relative to the expediency of a slight change in the order of appropriation, to which the surplus commercial profits of the East India Company in England are now subject, for the purpose of giving a priority in the application of the surplus to the redemption of the loan from the Public, of 1812.

We coincide in the view you have taken of the operation of the Act of 1813, in respect to the order of appropriation. We are well aware to what purposes the application of the surplus commercial profits of the Company is restricted; but the Act of 1813, although it prescribes the order and purposes of the appropriation, does not bind the Company, within any specific period, to apply the whole of the surplus profits which may have been realized; the time of making such appropriation is left to the discretion of the Court of Directors, subject to the approbation of the Board.

The Court of Directors claim a power to reserve a portion of the surplus profits to cover contingent losses, as well as for such payments as they may be called upon to make for territorial purposes.

We do not think it necessary, on this occasion, to enter much at length into the question of the expediency or inexpediency of reducing the Indian debt, particularly as regards the representations made to you by Lord Hastings on this subject; of these representations we have no knowledge, except through your communication; we nevertheless cannot view without anxiety the present magnitude of that debt, and think any increase to it is greatly to be deprecated; under some circumstances, it might even have the effect of subjecting the home finances to considerable embarrassment.

We particularly allude to that condition of the Indian loans, which gives an option to the creditors to receive their annual interest by bills upon the Court, at 2*s.* 6*d.* the sicca rupee.

Should any occurrences in India, either political or commercial, induce a preference to the Company's remittance, the whole of the interest of the debt might be taken out by bills on the Court, and thus create a demand upon the Company, which their ordinary means can never be expected to discharge.

Taking into view, however, all the bearings of the question now before us, we do not feel averse to entertain your suggestion, and shall not object to recommend to the Court of Directors to dispose of the unappropriated home surplus profit in the redemption of the loan from the Public of 1812, provided the Company shall be allowed to apply the annual sum of 243,820*l.* which is now set apart for the payment of the interest and sinking fund of that loan, to the formation of a fund to be invested in Government securities, the accruing interest to be also regularly invested; that the fund so constituted shall be deemed a guarantee fund for the better security of the Company's capital stock, and likewise for the payment of the dividends to the proprietors, in the event of the Company's ordinary resources proving insufficient for that purpose.

The means by which it is proposed to carry your suggestion into effect will be for future consideration, but we deem it necessary to apprise you, that to enable the Company to advance the required sum, a payment by His Majesty's Government of at least 500,000*l.* on account of the St. Helena expenses will be indispensable.

We have, &c.

(signed) *C. Marjoribanks.*
G. A. Robinson.

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LETTER from the Right hon. *George Canning* to the Chairman and Deputy Chairman of the East India Company; dated India Board, 14th January 1820.

Gentlemen,

I HAVE received and considered your letter of the 17th of December, in answer to mine of the 15th of the same month, expressing your general approbation of my suggestion for applying so much of the surplus profits as may be necessary to the liquidation of the loan of 1812; but coupling with that approbation the condition that the Company shall be allowed to apply the amount of the annual interest and sinking fund, now payable on that loan, to the formation of a guarantee fund.

My suggestion was founded on the assumption that the redemption of the loan of 1812 would be a more advantageous application of the principle of reduction of territorial debt in the present season, than a further remittance to India, in despite of the objections communicated to me by Lord Hastings. It cannot be right, in any view of the provisions of the Act of Parliament, that the amount of surplus should accumulate indefinitely in the coffers at home.

I beg you not to understand me as objecting altogether to the principle on which a guarantee fund might be instituted, or as being at all reluctant to take up the consideration of that matter; but to open the Charter Act for a purpose obviously beneficial to the Company in its separate commercial capacity, will be an undertaking of much delicacy. It cannot fail to bring forward other points upon which not only those who are least friendly to your interests, but others, may consider the Company as already benefitted at the expense of the public at large.

You must be aware that questions of this nature have recently excited the solicitude of the mercantile, the manufacturing and the shipping classes of the community, and are at this moment seriously and anxiously pressed upon the attention of the Government.

I am, therefore, of opinion that it would be most advisable not to bring forward the question of the guarantee fund, until you shall have well considered the different points which may be connected with any proposal for a revision of the Act of 1813, for the Company's particular benefit.

But I am ready to enter with you upon a revision of that Act, with a view, amongst other things, of providing an ultimate security for the dividends and capital of the Company; although I should wish the much simpler question of a slight change in the order of payment of your debts, by giving priority to the discharge of the loan of 1812, to be considered on the ground of its own special merits and advantages.

I have, &c.
(signed) *George Canning.*

LETTER from the Chairman and Deputy Chairman of the East India Company to the Right hon. *George Canning*; dated East India House, 9th February 1820.

Sir,

WE have the honour to acknowledge your letter of the 14th ultimo, conveying your observations upon the terms on which we were disposed to recommend to the Court of Directors an alteration in the appropriation of the surplus home profits of the Company, as signified to you in our letter of the 17th December last.

While we regret that our acquiescence in your suggestion of an alteration in the order of payment of territorial debt should have the appearance of being accompanied with any condition which you may think not naturally connected with that suggestion, we must express our unwillingness to propose to the Court of Directors any alteration of the Act of 1813 that does not include the correction of those provisions of that Act by which the Company's dividend is left without security, which, according to the spirit of the arrangement, we conceive ought to have been afforded to it.

We concur in your opinion, that the commercial surplus ought not to accumulate indefinitely in the treasury in England; but we beg leave to remind you that the question of appropriating that surplus to the redemption of the territorial debt, or of the bond debt at home, is left by the Act, in the first instance, to the discretion of the Court, subject to the approbation of the Board.

By the application of that surplus to the reduction of the bond debt, the Company's commercial funds, from which the dividend is derived, would be proportionally increased; it must also be recollected, that by redeeming the territorial debt of 1812, we shall divest ourselves of the whole of the present accumulated surplus, and thus be left without any reserve of funds, to meet such contingent losses and expenses, as might, if occurring, interrupt the regular payment of the dividend.

It therefore does appear to us not unreasonable, that when it is proposed by the Board that preference should be given to the redemption of so great an amount of territorial debt, in a mode which cannot fail to be productive of convenience to the public finances, some corresponding advantage should be secured to the East India Company.

Our object in proposing the application of 243,800*l.* per annum towards the formation of a guarantee fund is security for the payment of the Company's dividend; if that security can be obtained, whether in the way we have pointed out, or as effectually in any other manner, we shall be willing to make it the subject of further conference.

We have, &c.
(signed) *C. Marjoribanks.*
G. A. Robinson.

LETTER from the Right hon. *George Canning* to the Chairman and Deputy Chairman of the East India Company; dated India Board, 19th April 1820.

Gentlemen,

UPON recurring, after the unavoidable suspension of our correspondence, to the letter addressed to me by the late Chairman and Deputy Chairman on the 9th February, I am glad to meet the disposition therein manifested to enter into further consideration of the suggestion offered in my letter of the 15th December.

The principles upon which it is proposed to renew that consideration appear to me to be not unreasonable, nor inconsistent with the existing arrangements between the Public and the Company.

I am by no means indisposed to admit that the Company has a fair claim to appropriate their commercial profits, in a proportion to be settled with the concurrence of this Board, to the redemption of commercial as well as of territorial debt; and it is obvious that the appropriation of that surplus to commercial debt operates, so far as it goes, to strengthen the security of the Company's dividends.

Applying these principles to the plan which I took the liberty of recommending in my letter of 15th December last, I think it might be arranged, that upon payment into His Majesty's Exchequer of a sum equal, at the market price, to the amount of the stock remaining unredeemed on the loan of 1812, I should convey to you an official assurance that the sanction of the Board will be given to an appropriation of future commercial surplus, as it may accrue, to the reduction of the Company's bond debt exclusively, until an amount of that debt shall have been redeemed equal to the amount of territorial debt extinguished by the discharge of the loan of 1812.

The operation would, as you justly observe, have the same effect upon the commercial interests as the appropriation of the like sum towards the creation of a guarantee fund.

But if the Court should prefer to the proposed reduction of bond debt, the application of the like sum to the guarantee fund, in the mode prescribed by the 59th section of the Act of 1813, I should with equal readiness concur in an arrangement for that purpose.

The former mode would have some practical convenience, and, as I think, some advantages beyond the latter, which I shall be happy to discuss with you when we meet.

But I should be glad, in the meantime, to learn from you that the general plan is not unacceptable to the Court of Directors.

I have, &c.
(signed) *George Canning.*

LETTER from the Chairman and Deputy Chairman of the East India Company to the Right hon. *George Canning*; dated East India House, 19th May 1820.

Sir,

WE have had under consideration the communication with which you have honoured us, under date of the 19th ult., renewing the negociation respecting the appropriation of the Company's commercial profits to the redemption of the loan from the Public of 1812.

We are very glad that the principles upon which the late Chairman and Deputy Chairman, in their letter to you of 9th February last, were disposed to entertain your suggestion of the 15th December, do not appear to you to be unreasonable, or inconsistent with the existing arrangements between the Public and the East India Company.

To meet the views conveyed to you in that letter, you have suggested two propositions:

1st. That upon payment into His Majesty's Exchequer of a sum equal, at the market price, to the amount of the stock remaining unredeemed on the loan of 1812, you should convey to us an official assurance that the sanction of the Board will be given to an appropriation of future commercial profit, as it may accrue, to the reduction of the Company's bond debt exclusively, until an amount of that debt shall have been redeemed, equal to the amount of territorial debt extinguished by the discharge of the loan of 1812.

Or, 2dly. The application of the like sum to the creation of a guarantee fund, in the mode prescribed by the 59th section of the Act of 1813.

To the first of these propositions there is this objection, that an inference might be drawn from our acquiescence in it, that we acknowledge the Company's bonded debt of Great Britain to be in its constitution wholly of a commercial character.

Waiving on the present occasion any discussion on this point, we only beg leave to be understood, that as the Company's home-bonded debt has been adverted to in the discussion of the question now before us, we claim the benefit of any reservation which may have formerly been made, as to the *degree* in which that debt may be regarded as appertaining respectively to the territorial or to the commercial branch of the Company's affairs.

With respect to your second proposition, namely, the establishment of a guarantee fund upon the principle of the Act of 1813, we are averse to recommend its adoption by the Court of Directors, by reason that the advances by the Company towards the creation of a guarantee fund, are in the 59th section of that Act directed to be paid into the Exchequer, to be applied as Parliament shall direct, without interest to be paid to the Company in respect thereof.

Having thus stated the objections we entertain to the conditions propounded to us in your letter of the 19th ult., we nevertheless are really disposed to meet your suggestion, and

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and we have the honour to subjoin certain proposals, which, if assented to by His Majesty's Ministers, we shall feel no hesitation in recommending that suggestion for the adoption of the Court of Directors.

Our proposals are as follow:

1st. That a sum equal to the part remaining unredeemed of the loan from the Public to the East India Company of 1812, shall be paid by the Company into the Exchequer on the 5th of July next; the stock to be valued at the average price paid by the Commissioners for the redemption of the national debt, in the quarter ending on the said 5th July, and the payment to be made in exchequer bills at par; the Company to provide for the July dividend and sinking fund as usual, and all charge upon the Company in respect to the said loan to cease from that time

2d. Surplus commercial profits to be hereafter laid out in exchequer bills, bearing the usual interest, until the amount so accumulated shall equal the value of the loan so paid off, together with the amount of payments heretofore made, from the date of the renewal of the Company's Charter, from commercial funds, in discharge of territorial debt, as follows:

	£.
Principal of Indian Debt - - - - - - -	923,815
Bullion remitted to India, towards redemption of debt -	1,007,537
Final redemption of the loan from the Public, say - -	1,900,000
£.	3,831,352

3d. The sum so accumulated, with all interest accruing thereon, to constitute a fund applicable to no other purpose than,

1st. To the payment of dividends, in case of deficiency of other funds.

2d. To the payment of bills of exchange drawn in discharge of optional loans specifically authorized by the Court of Directors, for which funds shall not have been provided.

3d. To the payment of the bond debt, with the approbation of the Board of Commissioners.

4th. Ulterior appropriations of surplus to follow the provisions of the Charter Act.

We beg leave to add, however, that as it is absolutely necessary that we should retain a sufficient cash balance to answer all demands, foreseen or unexpected, which may arise before new surplus to any considerable amount can have accrued, after the 5th July, and as the stipulated payment on that day would absorb nearly the whole of the surplus now on hand, we must be assured of receiving from the Treasury a repayment on account of St. Helena, of at least half a million sterling; and should such repayment not have been made before the 5th July, it must be understood that we are to retain that sum on that account out of the payment then to be made in redemption of the loan; and further, that the balance which may remain due on account of St. Helena up to the 1st May 1820, shall be paid in full by his Majesty's Government, as soon as the same can be ascertained.

We have, &c.
(signed) *G. A. Robinson.*
T. Reid.

LETTER from the Right hon. *George Canning* to the Chairman and Deputy Chairman; dated India Board, 24th May 1820.

Gentlemen,

I HAVE attentively considered the propositions contained in your letter of the 19th instant, and being desirous of meeting the wishes of the Court of Directors, as far as may be consistent with my duty to the Public, I am prepared to acquiesce in those propositions, subject only to certain observations and explanations.

Upon your first proposition, I have only to express my entire approbation of the mode in which you propose to effect the redemption of the loan of 1812.

As to the second, although the amount of the fund which you propose to accumulate far exceeds that which I had suggested in my letter of the 19th ult., I shall not withhold my assent from your proposition, either as to the amount, or mode of accumulation.

It is, however, fit that I should apprise you, that my acquiescence is not grounded upon the conformity of that amount with that of the territorial debt redeemed since the renewal of the Charter, but rather upon its corresponding almost exactly with the amount of the Company's bond debt, for the redemption of which the present arrangement was proposed as an alternative.

In acquiescing in the mode of accumulation which you propose, I am not to be understood as concurring in the objection which you state to the formation of a guarantee fund on the terms of the Act of 1813, a measure which, at its proper time, may be very advantageous both for the Company and the Public.

Thirdly, I agree with you as to the purposes to which the fund to be accumulated under the arrangement now in contemplation is to be applicable. As you say nothing with respect

respect to the appropriation of the interest of the fund when formed, or the ultimate destination of the principal, it is necessary for me to add, with the view of preventing future misapprehension, that I admit that the interest will, during the Company's present term, be part of the Company's *commercial* income, and that the principal, or so much of it as may remain at the expiration of the term, will be the property of the Company, still applicable to the reduction of bond debt. I concur with you in waiving all discussion with respect to the character of that debt, and I admit that nothing that has passed in our correspondence is to affect the reservation in that respect repeatedly made by the Company. Indeed, after the formation of a fund applicable to the reduction of that debt, the character of the bond debt will become a matter of inferior importance.

I have the satisfaction of conveying to you the assurance of the Chancellor of the Exchequer that measures will be taken for liquidating, on or before the 5th July next, at least half a million of the St. Helena debt.

I have only to add, that while I admit your reservation as to the bond debt, I am in like manner to be understood as reserving a right to make observations hereafter as to the character of any part of the Indian debt, or as to the process by which the surplus of the Company's commercial profits is calculated.

But these reservations are merely made in order to avoid the possibility of future misconception, and I trust, that the ready acquiescence which I have expressed in your propositions, will induce you to bring them immediately before the Court of Directors, in order that no time may be lost in effectuating an arrangement, which will, I am satisfied, be found at least as conducive to the interests and security of the Company, as it may be to the convenience of the Public.

I have, &c.
(signed) *George Canning.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 7th June 1820.

Sir,

I AM commanded by the Court of Directors of the East India Company, to represent to you, for the information of His Majesty's Commissioners for the Affairs of India, that a discussion has been carried on between Mr. Canning and the Chairman and Deputy Chairman, with a view to the immediate appropriation of the surplus commercial profits of the Company to the redemption of the balance of the loan from the Public to the Company in 1812, instead of the said surplus being applied in the manner directed by the Act of the 53d Geo. 3, cap. 155, s. 59.

The subject having been brought to the notice of the Court of Directors, I am desired to state that they concur in the proposals contained in the letter from the Chairman and Deputy Chairman to Mr. Canning, dated the 19th ultimo, as recorded in the Secret Minutes of the Court of the 30th ultimo, which have been already transmitted to the Board.

The Court have received from the Chancellor of the Exchequer the draft of a proposed Bill, with reference to the part of the transactions more immediately connected with the Public, and the same having been altered by the Company's law officers, so as to embrace the several points connected with the several propositions which have been mutually agreed upon, I am commanded to transmit the said Bill, as amended, for the information of the Board.

I am at the same time directed to observe, that the determination of the Court is to be considered subject to the approbation of the Court of Proprietors, for whose adoption the Court of Directors are prepared to recommend the measures in question.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 12th June 1820.

Sir,

I HAVE laid before the Commissioners for the Affairs of India your letter of the 7th inst., and the draft which accompanied it of a Bill to authorize the East India Company now to redeem the debt created on their account by an Act, passed in the 52d year of the reign of his late Majesty King George the 3d, intituled "An Act for advancing 2,500,000 *l.* to the East India Company, to enable them to discharge part of the Indian debt."

I am directed by the Board to request that you will assure the Court of Directors of the satisfaction which the Board have derived from the readiness of the Court to concur in the views so long in discussion between Mr. Canning and the Chairman and Deputy Chairman; but I am at the same time to communicate to you the Board's opinion, that under all the circumstances of the present time, it is not expedient to introduce the Bill into Parliament in the present Session.

The Bill, as proposed by the Court, contains several provisions, in which it would be impossible for the Board to concur, at least without considerable explanation and modification, and which, even if the Board were persuaded of the propriety of them, must necessarily lead to much controversial discussion in the House of Commons.

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The proposed Bill appears (in some respects perhaps unnecessarily) to involve alterations in the Act of 1813, to such an extent, that it would hardly be expedient to propose them to Parliament, without a more general and detailed revision of that Act than it would be practicable to complete on the present occasion.

Further, the Board do not wish to disguise from the Court their apprehension, that the tone and tenor of the letter, relative to the trade with India and China, which the Chairman and Deputy Chairman addressed to Mr. Canning on the 7th instant, and which it will probably be necessary to lay before the Committees of both Houses of Parliament on Foreign Trade, are likely to indispose Parliament to the entertaining of a measure, which, although the suggestion wherein it originated would incidentally tend in some small degree to the convenience of the public service, does, in its main operation, give to the East India Company advantages in relation to their commercial funds, and to their dividend, very far exceeding those which the Legislature, upon full deliberation, consented to secure to them in 1813.

Under all these circumstances, I am to request that the matter may be considered as suspended for the present.

I am, &c.
(signed) *Thomas P. Courtenay.*

LETTER from the Right hon. *George Canning* to the Chairman and Deputy Chairman of the East India Company; dated India Board, 13th June 1820.

Gentlemen,

THE letter which Mr. Courtenay addressed, by direction of the Board, to Mr. Dart, in answer to Mr. Dart's letter of the 7th instant, will have put the Court in possession of the Board's opinion as to the inexpediency of proceeding further at present with the Bill founded on our late discussions respecting the disposal of the surplus profits of the East India Company.

It remains for me to explain to you a little more fully than in an official letter was either proper or necessary, the grounds of this opinion. In the first place, you must allow me to say, quite frankly, that whatever might be the incidental convenience to be derived to the Government from the accelerated discharge of the loan of 1812, the permanent advantages to be given to the Company by the proposed arrangement were far more than proportionate to that convenience, and were such indeed as would require that their interest should be looked at with a very favourable eye, in order to secure a Parliamentary approbation of that arrangement.

During the interval which elapsed between the origin and completion of the negociation, considerations have arisen, the possibility of which and their probable operation, if they should arise, I anticipated in my letter of the 14th of January; considerations which, though not directly making part of the transaction, cannot but bear upon it in a very unfavourable manner.

The call of the Public for some relaxation of your commercial monopoly in favour of the general trading interest of the country was of this nature.

Had the reply of the Court to my letter upon this subject conveyed any intimation of a disposition to consider in what way and to what extent they could meet the wishes of the manufacturing and commercial classes, the manifestation of such a disposition would have afforded a great facility towards carrying into effect an arrangement beneficial to the concerns of the Company.

Neither the Public nor Parliament have indeed any right to complain that the Company defends with eagerness privileges which were deliberately assigned to them by the Legislature, and which they conceive it to be necessary for their existence to preserve unimpaired. But I must at the same time apprise you, that it is the opinion of every person conversant with the House of Commons, whom I have had an opportunity of consulting, that to present with one hand a refusal on the part of the Company, so total and unqualified, of every concession in favour of the Public, and with the other a proposal for new securities and advantages to the separate interests of the Company, would infallibly so far indispose Parliament to the entertainment of the measure in contemplation as to make it highly unadvisable to prosecute it in the present state, and at the present period, of the Session.

In this state of things, I think it best on all accounts to postpone all further consideration of the plan which has been so much discussed between us; but I shall be perfectly ready to continue those discussions with a view to prepare a more general revision of the Charter Act against the beginning of the next Session.

I have, &c.
(signed) *George Canning.*

LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 10th May 1821.

Sir,

THE Commissioners for the Affairs of India, adverting to the 57th section of the Act of 53 Geo 3, c. 155, and to the correspondence which passed between the late President and Board and the Chairman and Court of Directors, relative to the amount and application of the

the surplus commercial profits of the Company, have directed me to desire that you will move the Court of Directors to furnish the Board, at their earliest convenience, with a continuation, up to the latest period to which the same can be made up, of the account of the surplus commercial profits of the Company, &c. which was transmitted to the Board on the 21st December 1819.

And I am also directed to request that the Court will at the same time communicate to the Board their wishes or intentions with respect to the appropriation of the balance of unappropriated surplus which may appear on such account.

I am, &c.
(signed) *Thos. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas Peregrine Courtenay*, Esq.; dated East India House, 7th June 1821.

Sir,

IN reply to your letter addressed to me, under date the 19th ultimo, I am commanded by the Court of Directors of the East India Company to transmit to you, for the information of the Board of Commissioners for the Affairs of India, "An Account of the Surplus Commercial Profits of the East India Company in England, from the 1st May 1814 to 1st May 1821, together with the amount appropriated, in conformity with the 57th section of the 53 Geo. 3, c. 155; showing also the Amount remaining to be appropriated on the 1st of May 1821."

In reference to the latter part of your letter, which states that you are directed to request that the Court will communicate to the Board their wishes or intentions with respect to the appropriation of the balance of unappropriated surplus which may appear on the account, the Court desire me to say, that it is not their intention at the present moment, to recommend the application of any part of their commercial surplus from their home treasury to the extinction of debt, as directed by the appropriation clause of the Act of 1813. Under existing circumstances, indeed, such a measure would be highly inexpedient; the immediate and prospective demands upon the Court, to an undefined amount, for bills of exchange drawn from India for interest of Indian debt, requiring the entire of the resources of the Company in England to be retained for their liquidation.

I have, &c.
(signed) *J. Dart*, Secretary.

Extract LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 28th July 1821.

THE Commissioners for the Affairs of India have had under consideration your letter of the 7th ultimo, enclosing an account of the surplus commercial profits of the Company in England, from the 1st of May 1814 to 1st May 1821; at which latter period it would appear there remained in the hands of the Company a balance of 2,713,619 *l.* to be appropriated according to the 57th section of the Act of 1813.

Of this balance, the Court were of opinion that it would be inexpedient to apply any part to the extinction of debt, because the immediate and prospective demands upon the Court for bills of exchange drawn from India for interest of Indian debt required the entire of the Company's resources in England to be retained for their liquidation.

The draft of instructions to the Governor-general in Council, submitted to the Board on the 16th ultimo, whereby the Government is directed to apply in India a sum of 1,500,000 *l.* on account of surplus commercial profits to the reduction of the Indian debt, renders it unnecessary for the Board to give any opinion upon the expediency of retaining the whole of the disposable balance, as suggested in your letter of the 7th ultimo. The Board have already signified their approbation of these instructions, which they consider as effecting without inconvenience to the finances of the Company in England, the appropriation of a part of their commercial surplus to the purposes prescribed by the law: and under present circumstances they are not disposed to recommend the application of the remainder of the balance.

LETTER from *Joseph Dart*, Esq. to *Thomas Peregrine Courtenay*, Esq.; dated East India House, 15th March 1822.

Sir,

I HAVE received the commands of the Court of Directors of the East India Company to acquaint you, for the information of the Commissioners for the Affairs of India, that there have been presented for acceptance two bills of Exchange, drawn on the Court by the government of Bengal, on account of principal of Indian debt, amounting, the one to one thousand eight hundred and eleven pounds, ten shillings and ten pence (1,811 *l.* 10 *s.* 10 *d.*), and the other to one hundred and eighty-four pounds, three shillings and sixpence (184 *l.* 3 *s.* 6 *d.*); and, previously to the acceptance of the said bills, I am directed to request the Board's sanction to the appropriation of a portion of the home profits of the Company, in payment thereof.

I have, &c.
(signed) *J. Dart*, Secy.

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LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 18th March 1822.

Sir,

IN reply to your letter, dated the 15th instant, respecting two bills of exchange, drawn upon the Court of Directors by the government of Bengal, on account of principal of Indian debt, the one for 1,811 *l.* 10 *s.* 10 *d.*, and the other for 184 *l.* 3 *s.* 6 *d.*, I am directed by the Commissioners for the Affairs of India to desire that you will state to the Court, that the Board wish to be informed of the particular description of the Indian loans to which these bills relate, before they grant their sanction for the payment in the manner proposed.

I am, &c.,
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 22d March 1822.

Sir,

IN reply to your letter of the 18th instant, stating that the Board wish to be informed of the particular description of the Indian loans to which the bills referred to in my letter of the 15th instant relate, I have the commands of the Court to acquaint you that the bill for 184 *l.* 3 *s.* 6 *d.* is drawn in payment for an old 8 per cent. optional promissory note.

The bill for 1,811 *l.* 10 *s.* 10 *d.* is not yet advised; but the Court are of opinion it is drawn in payment of a 6 per cent. promissory note or notes of the Register, of the 30th June 1811, entitled to a remittance of principal by bill on the Court, in conformity with their Resolutions of the 19th July 1811, or the 8th July 1812.

I have, &c.
(signed) *J. Dart*, Secy.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 25th March 1822.

Sir,

I HAVE to acknowledge the receipt of your letter of the 22d instant, in reply to mine of the 18th, respecting the description of the bills drawn upon the Court of Directors on account of the principal of Indian debt, for the payment of which, from the surplus commercial profits in England, the sanction of the Commissioners for the Affairs of India was requested in your letter of the 15th instant.

I am directed by the Board to state, for the information of the Court, that so far as respects the bill of 184 *l.* 3 *s.* 6 *d.* on account of the old 8 per cent. optional debt, no objection is entertained to the payment of it in the manner proposed; and with regard to the other bill for 1,811 *l.* 10 *s.* 10 *d.* the payment thereof is likewise sanctioned, provided it shall ultimately prove to have been drawn on account of the 6 per cent. loan of June 1811, as stated in your letter.

I am, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Peter Auber*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 11th October 1822.

Sir,

ADVICES have been received from Bombay of certain bills of exchange having been drawn upon the Court, in discharge of the principal of promissory notes of the General Register debt of the Bengal presidency, dated 30th April 1822; according to the terms of the advertisement published in the Calcutta Gazette, of the 13th February 1822, and conformably with the 57th section of the Act 53 Geo. 3, c. 155, I am directed by the Court to request the approbation of the Board of Commissioners for the Affairs of India to the acceptance of the said bills by the Court, to an amount not exceeding 453,457 *l.* 10 *s.*, and for the application of a sum in discharge of the same, when they may be presented for payment.

I have, &c.
(signed) *P. Auber*, Assist Secy.

LETTER from the Chairman and Deputy Chairman of the East India Company to the Right honourable *Charles Watkin Williams Wynn*; dated East India House, 17th December 1822.

Sir,

WE have been requested by the Court of Directors to state to you, that several applications have been made to the Court by proprietors of 6 per cent. promissory notes of the Bengal government, resident in this country, expressing a wish to be permitted to transfer the

the bills of exchange drawn upon the Court in discharge of these notes, to the new 6 per cent. loan, opened at Calcutta the 18th February last.

It has not been the practice of the Court officially to communicate such applications to the Board previously to their decision thereon; and on the present occasion they have given favourable answers to applicants, to the extent of about 350,000 *l.* as will be seen on reference to the Court's Minutes of 25th September and 2d October last. Adverting, however, to the effect which the re-transfer of a considerable amount of bills must necessarily produce upon the finances of India; adverting also to the controlling power of the Board, under the Act of the 53d, in reference to those finances, it may appear that the Court's acquiescence in the measure of re-transfer, without ascertaining by previous conference the views of the Board upon the subject, has been premature.

The Court are, therefore, anxious to be put in possession of the sentiments of the Board upon the general question thus brought under the Court's notice, namely, the expediency of allowing the re-transfer to the new loan of bills of exchange drawn upon the Court in consequence of the recent financial operations in India.

In a letter from the Court, of the 11th October last, application was made for the Board's approbation to the acceptance by the Court of bills drawn in discharge of the promissory notes of the General Register debt of the Bengal presidency, to an amount not exceeding 453,457 *l.* 10 *s.* A precise sum was not stated in that letter, as had been usual in similar cases, because the Court had in view the object of re-transfer; and being uncertain to what extent it might reach, they were consequently unable to state specifically the amount for which the Board's approbation was sought.

We have accordingly, Sir, the honour to request that, at as early an opportunity as may suit with your convenience, we may be favoured with a communication from the Board upon the subject of re-transfer, and also as to the acceptance of bills drawn in discharge of debt; particularly upon the latter point, as the parties are urgent for the acceptance of their bills.

We have, &c.

(signed) *J. Pattison.*
W. Wigram.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 23d December 1822.

Sir,

Mr. Auber's letter of the 11th of October, and that addressed by the Chairman and Deputy Chairman to Mr. Williams Wynn on the 17th inst. have been laid before the Commissioners for the Affairs of India.

Under the circumstances stated, the Board direct me to convey to the Court their consent to the appropriation of a sum not exceeding 453,457 *l.* 10 *s.* of the surplus home profits of the Company, to the payment of bills drawn in discharge of the principal of promissory notes of the General Register debt of the Bengal presidency, dated 30th April 1822.

In regard to the permission solicited by the holders of some of these bills to re-transfer the amount to the new 6 per cent. loan, the Board observe with satisfaction that the Court perceive the inconvenience which might arise from granting such a permission, without a previous assurance that the Board will sanction the despatch, without which it could not be carried into effect; and they are inclined to think that this assurance should be given officially, and not, as in the only former instance which has occurred since 1814, by a private understanding with the President.

Nevertheless, after what has been stated by the Chairman and Deputy Chairman, the Board are ready to concur in the measure adopted by the Court, so far as the Court stands already pledged to individuals.

But, considering the great importance of reducing the Indian debt, and the present amount (according to your letter of 20th June) of surplus applicable to that purpose, the Board are unwilling to give their sanction to the further extension of the permission desired, until they shall have been informed by the Court of the reasons which induce them to forego the opportunity of discharging nearly half a million of debt.

I am, &c.

(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 29th January 1823.

Sir,

IN your letter of the 23d ultimo, the consent of the Board of Commissioners for the Affairs of India was conveyed, for the appropriation of a sum not exceeding 453,457 *l.* 10 *s.* of the surplus home profits of the Company to the payment of bills drawn in discharge of the promissory notes of the General Register debt of the Bengal presidency, dated 30th April 1822.

The Court have since received advice of bills, drawn upon them to the amount of 943,385 *l.* in excess of the sum of 453,457 *l.* 10 *s.* before mentioned.

I have

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I have, therefore, the commands of the Court to request the approbation of the Board of Commissioners for the Affairs of India to the appropriation of a sum not exceeding 943,385 *l.* to the payment of these bills, under the provisions of the Act of the 53 Geo. 3.

It is probable that this amount may contain some bills which the Court are pledged to individuals to re-invest; but bills have already been presented, or are expected to be presented, for acceptance and payment, to the amount of 602,048 *l.* in excess of the sum for which the Board's approbation has been obtained.

The amount which the Court are pledged to re-invest, was stated in the letter of the Chairman and Deputy Chairman to Mr. Wynn, of the 17th ult. at about 350,000 *l.*; but on a more accurate investigation, it appears that the amount is 456,683 *l.* This difference has arisen by reason that many of the parties, on the first intelligence of the intended financial operations at Calcutta, requested the re-investment of the whole of the bills that might be remitted to them, without having stated the precise amount.

Of this 456,683 *l.* it is, however, proper to observe, that bills to the amount only of 115,708 *l.* have as yet been surrendered for re-investment, and the Court are induced to believe that this latter sum will comprehend the greater portion of bills to be surrendered to the Court under the pledge already given.

The Court entertain this opinion from the circumstance that many individuals who have obtained the Court's consent to the measure of re-investment, have since been informed by their agents, that their loan property, for which they expected bills on the Court, has been subscribed in India, under the advertisement of the Bengal government of the 26th Feb. 1822, which allowed the agents of absent proprietors, who had omitted to leave instructions, provisionally to transfer the notes of those proprietors to the new loan.

Applications are still before the Court, to which they are not pledged, for the re-investment of a further amount of bills, either drawn or expected to be drawn, in discharge of the principal of Indian debt, to the amount of 495,671 *l.*; of this sum, bills to the amount of 225,632 *l.* only have been surrendered, and probably, for the same reasons as have been before stated, as applicable to the individuals whose bills the Court are already pledged to re-invest, this 225,632 *l.* will be nearly the whole amount seeking re-investment, of these additional applications.

The Court are desirous to consent to this extension of re-investment; and, in compliance with the suggestion contained in your letter of the 23d ultimo, will shortly state their reasons for acceding thereto, rather than, by paying the bills in England, effect a discharge of so much Indian debt.

The Court equally with the Board feel the great importance of reducing the Indian debt, and on the occasion now under consideration, a reduction will be probably effected to the extent of 1,055,505 *l.* It is true that an amount of surplus commercial profit is still unappropriated, fully adequate to meet the whole of the bills drawn in discharge of that debt; but it is no less true that the commercial branch of the Company's affairs is in advance to the territorial branch to an amount exceeding the unappropriated surplus profit, and of which the repayment by India, in the way of commercial investment, must necessarily be a very difficult and tardy operation. It has hence appeared to the Court to be a more eligible disposition of their funds that this commercial balance should be made applicable in India to the redemption of debt, upon a plan similar to that directed by the Court, in their letter to Bengal in the Territorial Finance Department, of 29th June 1821, preferably to the demand being satisfied from the home treasury.

The Court have another reason for wishing an extended re-investment of bills from India. It has been seen that the Bengal government issued an advertisement, permitting agents provisionally to subscribe the notes of absent proprietors to the new loan, and the Court have reason to believe, from the very limited amount of bills surrendered by the Bengal creditors (only 20,987 *l.*), that the notes of by far the greatest proportion of those creditors have been subscribed under the government advertisement.

To deal impartially, therefore, with the creditors at Madras and Bombay, it appears to the Court that these creditors should not suffer in consequence of the late promulgation of the advertisement of the Bengal government at those presidencies respectively, which circumstance alone has probably caused the transmission of their bills upon the Court.

The Court, for these reasons, have commanded me to request the Board's acquiescence in the measure for re-investment of bills drawn upon them in discharge of the principal of Indian debt, to an amount not exceeding 495,671 *l.* beyond the sum to which they have already consented; but the Court nevertheless apprehend that the bills to be tendered for re-investment will not nearly reach such an amount; it appears, on the contrary, much more probable that the aggregate of bills requiring a re-investment, both those to which the Court are pledged and those for which the concurrence of the Board is now requested, will not exceed the sum stated in the Court's letter of the 17th ultimo, viz. about 350,000 *l.*

I am further commanded to request that the Board will be pleased to transmit their decision on the points herein submitted to their consideration at their earliest convenience.

I have, &c.

(signed) *Joseph Dart*, Secretary.

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LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 7th February 1823.

Sir,

I HAVE laid before the Board of Commissioners for the Affairs of India your letter of the 29th ultimo, requesting the sanction of the Board to the appropriation of a sum not exceeding 943,385 *l.* from the surplus commercial profits of the Company to the payment of bills drawn in discharge of principal of the General Register debt of Bengal, requesting also the acquiescence of the Board in a further re-investment of bills drawn upon the same account. I am directed to observe, that previously to conveying the sanction requested, the Board think it desirable to ascertain, with as much precision as is practicable, what portion of the sum of 453,457 *l.*, the payment of which is already sanctioned by my letter of 23d December, is likely to fall in course of payment.

In giving their sanction to the appropriation of an uncertain sum, the Board considered themselves as adopting a practice rather inconvenient, though warranted by the circumstances of the case; in the hope, therefore, that it may now be possible to ascertain the specific amount which will be required for the payment of bills, the Board wish to be apprised whether the advices which it is understood have been received from Bengal since the date of your letter, but which have not been as yet communicated to the Board, contain any further information respecting the amount for which bills have been drawn on the Court, and the amount belonging to absent proprietors which may have been transferred to the new loan.

I am, &c.
(signed) *Thomas Peregrine Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas Peregrine Courtenay*, Esq.; dated East India House, 13th February 1823.

Sir,

IN reply to your letter of the 7th instant, in which the desire of the Board of Commissioners for the Affairs of India is conveyed, for certain information on the subject of bills drawn upon the Court of Directors, in liquidation of the principal of Indian debt, I am directed to state that bills of exchange for the full sum of 453,457 *l.* have been accepted by the Court, under the Board's sanction of 23d December last, and that the whole amount thereof will be paid in cash.

With respect to the specific amount which will be required for the payment of bills drawn upon the Court in discharge of principal, in consequence of the late financial operations in India, I am commanded to inform you that the letter from Bengal, in the Territorial Finance Department, of the 20th June last (of which a copy has been transmitted to the Board since the date of your letter), states the amount of principal of debt to be paid off by bills on the Court at sicca rupees 2,65,83,700, at 2 *s.* 6 *d.* 3,322,962 *l.*

With reference to the last inquiry of the Board, as to the amount belonging to absent proprietors which may have been transferred to the new loan, the Court desire me to inform you that they have not received any detailed statement from India upon the subject.

I have, &c.
(signed) *Joseph Dart*, Secretary.

LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 21st February 1823.

Sir,

IN reference to your letter of the 29th ultimo, I am directed by the Commissioners for the Affairs of India to convey to the Court of Directors their consent to the appropriation of a sum not exceeding 943,385 *l.* of the surplus home profits of the Company to the payment of bills drawn in discharge of the principal of promissory notes of the General Register debt of the Bengal presidency, dated 30th April 1822.

To so much of your letter as regards the application of the several parties to re-invest certain bills drawn upon the Court upon the account of the principal of the debt, the Board will direct a reply to be made hereafter.

I am, &c.
(signed) *Thomas Peregrine Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas Peregrine Courtenay*, Esq.; dated East India House, 8th April 1823.

Sir,

THE Court of Directors have for some time had under consideration the financial measures of the Bengal government, whereby an extensive demand will be made upon the home funds for the liquidation of bills drawn upon the Court in discharge of the principal of the promissory notes advertised for payment in India.

The Court are not accurately informed of the amount to which these drafts may reach. The finance letter of the 30th June last states the sum at 3,322,962 *l.*; registers of bills actually granted have been received, to the amount of 2,959,494 *l.*; and the Court are induced to believe that bills may be drawn upon them to the full extent of the sum contained in the financial letter from Bengal of the 30th June 1822.

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For the payment of a sum so far exceeding the ordinary means of the Company, whether viewed in reference to the unappropriated surplus home profits, or to the actual pecuniary balances at the disposal of the Court, some arrangement must of necessity be made which will require the concurrence of the Board of Commissioners for the Affairs of India.

Your letters of the 23d December 1822, and of the 21st February 1823, have conveyed the Board's consent to the application of 1,396,842 *l.* of the surplus home profits to the payment of part of the bills recently drawn in discharge of Indian debt. The total sum of those home profits unappropriated on the 1st May 1822 was 1,959,579 *l.*; and the Court are decidedly of opinion that it will be altogether inexpedient to discharge a greater amount of these bills under the 4th head of appropriation of the 57th section of the 53d of the late King, and thereby to trench further upon the surplus profit, as no greater amount will remain unappropriated after the application of the before-mentioned sum of 1,396,842 *l.* than in the Court's opinion is absolutely necessary to reserve as a fund to cover contingent losses and expenses.

Adverting to the actual cash balances at the disposal of the Court, as exhibited in a prospective estimate to the 1st November 1825, it will be seen that the sum calculated to remain in the treasury after satisfying the demand for bills for Indian debt authorized to be accepted, will be reduced to the lowest scale consistently with a due regard to the currency of the Company's money concerns. The balance of cash on the 1st November 1825 being estimated at only 582,518 *l.*

It may nevertheless be urged that although the actual cash transactions, as shown in the estimate before-mentioned, may preclude the payment of Indian debt bills to an amount exceeding the sum already accepted, the Court may have recourse to the stock purchased in 1820, in view to be applied to the redemption of the loan from the Public of 1812; and as that loan has been redeemed from other sources, the stock may now be applied in any way the necessities of the Company may require.

The Court have noticed this last circumstance, to show that in the view now taken, this resource has not been overlooked. They are still decidedly of opinion that it would be most unwise to hazard the embarrassment of the home finances by applying a larger sum to the payment of Indian debt bills than the amount that has been already accepted.

The inexpediency of a further application of the home funds is conclusive, if the Company's bond debt in England be adverted to. Should any political crisis cause public securities for money to be so far depreciated, as to bring these bonds to a discount, one consequence is inevitable, they will be tendered in payment for goods purchased at the Company's sales. A large reserve of cash, or of securities readily convertible into cash, is thus, in the Court's opinion, quite indispensable; and they would not be justified in consenting to any measure which shall have the effect of depriving the Company of those resources, by which alone they can provide against this not improbable contingency.

In the meantime the Board will doubtless concur with the Court, that these bills must be accepted and paid.

The Court looked to the re-investment of a portion of these bills, as one mode of reducing the demand upon the home funds. The Board have not concurred in the Court's desire to extend the operation of that measure. The only relief the Company will experience by the permission given to individuals to surrender their bills does not at the present moment exceed 201,014 *l.*

A sum therefore exceeding 3,000,000 *l.* sterling will be demanded from the home funds. From the circumstances hereinbefore brought to the notice of the Board, and from the best consideration the Court have been enabled to bestow upon the whole subject, they cannot recommend any other mode of meeting this demand than by directing a remittance to be made in bullion from India, to the extent of two crores of rupees, specifically to pay bills of exchange drawn upon the Court in discharge of Indian debt.

The Court therefore intend to avail themselves of the option of the postponement for such a proportion of these bills as will allow for a consignment in bullion from India to become available in this country in the following periods:—

One crore before the 1st November 1824: One crore before the 1st November 1825.

Although the cash balances of India appear, by the last advices, to have amounted to a sum fully equal to provide the whole consignment to be required, and the opinion of the Governor-general in Council is decided as to the competency of India to supply, without embarrassment, a further remittance in bullion, should such remittance be necessary, the Court think it will be more advisable to call for the remittance in equal portions, to be shipped in India in their seasons 1823–24 and 1824–25.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 19th April 1823.

Sir,

THE Commissioners for the Affairs of India have attentively considered your letter of the 8th instant, relative to the liquidation of bills drawn upon the Court, in discharge of the principal of the promissory notes advertised for payment in India.

The Board are of opinion, with the Court, that according to the statements contained in your letter, it will be necessary, if the surplus home profits of the Company shall appear not sufficient, after making a reserve, conformably to your letter of 12th August 1818, to defray

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defray these bills according to their postponed periods of payment, to draw funds from India for that purpose.

But the Board cannot judge of the extent of the deficiency to be supplied, nor, consequently, of the measures which may be proper for supplying it, until they shall be aware, 1st, of the amount of the reserve of unappropriated surplus which the Court think necessary, and 2dly of the present and probable future amount of unappropriated surplus.

The latest statement of surplus which the Board have received, is necessarily that which brings the statement to the 1st May 1822; and as another financial year is nearly completed, they are desirous of postponing their decision upon the Court's present suggestion, until they are acquainted with the amount of the surplus on the 1st May 1823.

In the meantime they wish to have information from the Court upon the subject of the reserve.

With respect to the three per cent. stock possessed by the Company, I am directed to refer you to my letter of the 20th November 1821.

I am, &c.

(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 24th April 1823.

Sir,

THE Court of Directors, in reply to your letter of the 19th instant, on the subject of the provision of funds for the payment of bills drawn in liquidation of Indian debt, have in the first place to state their satisfaction in perceiving that the Board recognize the principle, that if the surplus home profits of the Company shall appear not sufficient to defray these bills according to their postponed periods of payment, after making a reserve, conformably with the letter I addressed to you on the 12th August 1818, it will be necessary to draw funds from India.

To judge of the extent of the deficiency to be supplied, the Board require:

1st. The amount of the reserve of unappropriated surplus which the Court think necessary.

2d. The present, and probable future, amount of unappropriated surplus.

With respect to the first point, it will appear by my letter of the 8th instant, that the Court have reserved the sum of 563,137 *l.*; but they have great difficulty in determining the amount which, as a general principle, ought to be reserved out of the home surplus profits, to cover contingent losses and expenses; such amount must be decided by a view of the Company's situation at the period when the reserve is made; and although at the present moment the Court have thought it expedient to reserve the sum of 563,137 *l.*, it will by no means follow that this amount shall constitute the maximum to be retained under all possible contingencies.

Surplus Home Profits, to 1st May 1822 -	1,959,979
Bills drawn in discharge of Indian Debt, accepted by the Court -	1,396,842
Surplus unappropriated -	£. 563,137

On the second point, the Court have already shown that by the acceptance of bills of exchange, drawn in discharge of Indian debt, under your letters of 23d December 1822, and 21st February 1823, the surplus profit to the 1st May 1822, of 1,959,979 *l.* is pledged to the amount of 1,396,842 *l*, and that the present unappropriated surplus is 563,137 *l.* The surplus that may be apparent at the close of the official year 1822–23 cannot as yet be stated, as the sales for the year are not completed. It will nevertheless be obvious to the Board, that under the recent loss of commercial property at Canton, and of that incurred by the wreck of the ship Regent, the expectation of any commercial surplus profit on the transactions of that year must be nearly, if not altogether, nugatory.

The probable future amount of unappropriated surplus profit, is by far too contingent and uncertain to ground any financial measure upon; but if in requiring such a statement, the Board infer that the Court may accept a large amount of Indian debt bills, upon the presumption of surplus profit to arise hereafter, the Court cannot concur in any such view of the subject.

As soon as the Court accept the bills, they would be pledged, under every contingency, to discharge them when due. The inexpediency, therefore, of making themselves answerable for a certain payment, however distant, upon the expectation of funds that may never be realized, is so apparent, that the Court trust the Board will be induced to abandon the idea, should it ever have been entertained.

The Board will have seen that any addition to the unappropriated surplus profit from the transactions of the year, ending 1st May 1823, cannot be relied upon; the Court therefore earnestly press for the Board's decision upon my letter of the 8th instant, that an answer may be given to the parties who have presented their bills for acceptance, and who are very urgent to receive a reply.

I have, &c.

(signed) *J. Dart*, Secretary.

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Appropriation of the Surplus Profits of the East India Company.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 25th April 1823.

Sir,

HAVING laid before the Commissioners for the Affairs of India your letter of the 24th instant, I am directed to apprise you, that the Board did not understand, from your letter of the 8th instant, that the Court were in any doubt whether or not to accept the bills therein mentioned. The Board apprehend that there can be no doubt of the propriety of accepting bills drawn on the Court by their governments in India, in the lawful exercise of their functions; but they are of opinion that, under the circumstances stated in your letters, it will be advisable that the payment of the bills should be deferred to the latest period to which the law allows the Court to postpone it. The Board will assuredly sanction the adoption of such measures before the bills respectively become due, as may be found advisable for meeting this demand upon the home treasury, without encroaching upon the necessary reserve of cash. It rests with the Court to propose these measures in the first instance, but the Board direct me to suggest, that it may not be difficult to obtain a considerable sum for the Court's bills upon the government of India, and that, in the opinion of the Board, that mode of obtaining funds ought to be tried before instructions are given for remitting bullion from India.

I am, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 1st May 1823.

Sir,

YOUR letter of the 25th ultimo has been laid before the Court of Directors.

The Court much regret that the Board do not coincide with their views in respect to the remittance of bullion from India, to discharge the bills drawn from India in liquidation of territorial debt.

The arrangement proposed by the Court, in my letter of the 8th ultimo, appeared to them to be the most eligible mode by which to provide for this great demand upon the home treasury; and the clear inference to be drawn from that letter was, that, if territorial funds were not forthcoming to meet the pressure, the bills could not be accepted.

The Court are sensible of the expediency of accepting bills drawn upon them by their governments abroad, in the lawful exercise of their functions; they are aware of the unpleasant consequences which must result were the Court to refuse their acceptance on this occasion; but on the other hand, the derangement of the Company's commercial engagements, and possible interruption to the regular payment of their dividend, are evils of such magnitude, that the Court can never approve or entertain any measure by which these indispensable obligations would be put to hazard.

The alternative of drawing bills upon the Indian governments has been under the consideration of the Court, and only abandoned by reason of the many and strong objections against it. Nor have the Court overlooked the expediency of postponing the payment of the bills to the utmost limit allowed by their tenor; but while a balance of cash, at once redundant and unproductive, remained in the Indian treasuries, it did not appear to the Court to be the most advantageous mode of proceeding, to postpone the bills at an annual charge for interest of 100,000*l.*, when funds, without inconvenience, might be drawn from India, which otherwise would have been unemployed.

From these considerations the Court still hope the Board will agree to the proposal submitted in my letter of the 8th ultimo; as the Court cannot authorize the acceptance of the bills now presented to them, unless it shall be previously settled between the Board and the Court, that territorial funds are to be provided for the discharge of this territorial debt.

I have, &c.
(signed) *J. Dart*, Secretary.

Extract LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 6th May 1823.

IN reference to your letter of the 1st instant, I am directed by the Commissioners for the Affairs of India to assure you, that the Board would be extremely unwilling that the finances of the Company, whether in its commercial or in its political capacity, should be exposed to the hazard of embarrassment; and that, relying upon the Court's opinion that without a remittance of bullion from India they cannot feel assured of having the means of discharging the bills drawn from India, and that it will not be expedient to postpone the payment of all the bills to the latest period, the Board will give their sanction, without delay, to a despatch instructing the Bengal government to make the remittances proposed in your letter of 8th April last.

This instruction, so far as it concerns the remittance of the second crore, must, however, be subject to recall or modification, if it shall hereafter be thought desirable by the Court and Board that the remittance shall be made in a different manner from that now proposed, or that a portion of commercial surplus shall be employed for this purpose.

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Appropriation of the Surplus Profits of the East India Company.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 2d June 1825.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will move the Court of Directors to furnish the Board, at their earliest convenience, with a continuation, up to the latest period to which it can be made up, of the Account of the surplus Commercial Profits of the Company, &c. in each year, in a similar form to that transmitted to this office on the 18th June 1823; specifying also the particular description of the Debt discharged from year to year, under the heads of "Home-bond Debt" and "India Debt;" and stating, against the respective sums, on what occasion the sanction of the Board to the appropriation was conveyed.

I am, &c.
(signed) *T. P. Courtenay.*

Extract LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 9th June 1825.

I HAVE the commands of the Court of Directors of the East India Company to transmit to you, for the information of the Board of Commissioners for the Affairs of India, an Account of the surplus Commercial Profits of the East India Company in England, after payment of the Dividends on the Capital Stock, from 1st May 1814 to 1st May 1825; together with the Amount appropriated in the same period, and showing the Balance remaining to be appropriated on the 1st May 1825.

The Statement, showing on what occasions the sanction of the Board to the appropriation of Surplus Profits to the discharge of Home-bond Debt and India Debt was conveyed, is forwarded in the paper marked (A).

Enclosure (A.)

ON the 31st January 1818, on the occasion of submitting certain accounts, showing the surplus commercial profits of the Company, the amount of bond debt stated to be paid off, was 628,300 *l.*, and of Indian debt, 718,248 *l.*

Of the bond debt stated to be paid off, the application of surplus commercial profits to the amount of 100,000 *l.* was sanctioned by the Board, in their letter to the Court, of 22d August 1818.

Doubts having been entertained how far the Court were legally authorized to re-issue bonds which had been paid in, for goods purchased at their sales, the Court of Directors ordered a case to be prepared for the opinion of their standing counsel:

"1st. Whether the East India Company may lawfully re-issue such of their bonds as have been paid into their treasury for goods purchased at their sales, in the manner heretofore accustomed?

"2d. Whether, when the Court of Directors, with the approbation of the Board of Commissioners, shall have reduced the principal of the bond debt, pursuant to 53 Geo. 3, c. 155, s. 57, they may lawfully again increase the bond debt, with the approbation of the Board of Commissioners, so as they do not in any case make the whole bond debt exceed the sum which the Company are now empowered to raise on bond"

The opinion of Mr. Serjeant Bosanquet was as follows, upon the first point: "That the East India Company cannot lawfully re-issue such bonds as have been paid into their treasury for goods purchased at their sales, pursuant to the printed conditions of sale: by that transaction, it appears to me that the legal obligation of the bond is discharged; the assignee of the bond, in whom the legal as well as the equitable property is vested, by virtue of the 51 Geo. 3, c. 64, s. 4, having been satisfied by the Company."

Upon the second point, Mr. Serjeant Bosanquet was of opinion, "that when the Court of Directors, with the approbation of the Board of Commissioners, shall have reduced the principal of the bond debt, pursuant to the 53 Geo. 3, c. 155, s. 57, they may lawfully again increase the bond debt, with the approbation of the Board of Commissioners, so as they do not in any case make the whole bond debt exceed the sum which the Company are now empowered to raise on bond. The earliest Acts which authorize the creation of a bond debt clearly contemplate the power of diminishing and again increasing that debt: the 6 Ann, c. 17, s. 2, and 17 Geo. 2, c. 17, s. 8, having empowered the Company to borrow, upon the security of their seal, any sum or sums of money from time to time, so as the total sum which *at any one time* should be owing upon the security of the said seal, should not exceed a certain amount therein specified. The latter Acts are not so precisely worded, but they give no reason to suppose that any alteration of system was intended; and as all the Acts are made in *pari materiâ*, they must, according to the established principles of construction, be taken altogether. In addition to this, the 33 Geo. 3, c. 47, s. 15, and the 53 Geo. 3, c. 155, s. 60, directly recognize the power of again increasing the debt after a diminution, the former having provided, that after the bond debt should have been reduced to 1,500,000 *l.*, it should not be lawful to increase it beyond that

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amount without the approbation of the Board of Commissioners, and that the whole increase should not exceed 500,000 *l.*; and the latter having provided, that if after the bond debt should have been reduced to 3,000,000 *l.* it should again be increased beyond that sum, the surplus proceeds of the Company should be appropriated to the reduction of such new debt until the sum should again be reduced to 3,000,000 *l.*"

It hence appears, that whenever bonds are paid in for goods purchased at the Company's sales, the legal obligation is discharged, and they cannot be lawfully re-issued; and all the bonds stated to be paid off are similarly situated to that portion of the bond debt for which the Board's sanction to the application of home profits to their discharge, was signified in their letter of 22d August 1818.

Of the bills drawn in discharge of principal of Indian debt, the sanction of the Board has been conveyed as under:

1814–15 - - -	£. 329,704	Not objected to in the Statement submitted in January 1818.
1815–16 - - -	318,382	
1816–17 - - -	477	
1817–18 - - -	200	Not sanctioned specifically.
1818–19 - - -	98	
1819–20 - - -	—	
1820–21 - - -	6,285	- - £. 6,020, sanctioned by the Board to be defrayed from surplus commercial profits, in their letter of 16th October 1819, and 21st December 1819: 265 *l.* not sanctioned specifically.
1821–22 - - -	10,576	- - £. 4,290, sanctioned by the Board, in their letter of 14th June 1821, the remainder, consisting of the same description of debt, not specifically sanctioned.
1822–23 - - -	25,500	- - £. 1,995, sanctioned by the Board on 25th March 1822, the remainder consists of the same description of debt previously sanctioned by the Board to be defrayed from surplus profits.
1823–24 - - -	1,396,842	- - sanctioned by the Board, in their letters of 23d December 1822, and 21st February 1823.
1824–25 - - -	—	

The consignment of bullion to India, in aid of the sinking fund was sanctioned by the Board of Commissioners, as an appropriation under the 4th head of the 57th clause of 53 Geo. 3, in their letters of the 18th September 1818, and the 5th April and 30th August 1819, approving the several resolutions of the Court of Directors respecting the consignment in question.

The finance letter to Bengal, directing the sum of 1,500,000 *l.* to be advanced to the sinking fund, and considered as an appropriation of surplus commercial profits, was approved by the Board of Commissioners, on the 27th June 1821.

East India House, 8 June 1825. (signed) *T. G. Lloyd*, Acc^t Genl.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 3d August 1825.

Sir,

I HAVE laid before His Majesty's Commissioners for the Affairs of India the Statement enclosed in your letter of the 9th of June last, "showing on what occasions the sanction of the Board to the appropriation of surplus profits to the discharge of home-bond debt and India debt was conveyed."

With respect to the India debt, I am directed to observe, that several of the appropriations appear to have been made without the specific and previous sanction of the Board, and I am to apprise you that the Board feel themselves bound by the Acts which govern their proceedings, to desire that the direction of the law, in this respect, may be attended to in future cases.

The observations contained in the paper as to the reduction of the bond debt, by receiving bonds in payment at the Company's sales, and cancelling the bonds, have attracted the particular attention of the Board.

On the 22d of August 1818 I was directed by the Board to address to you a letter, of which the following is an extract:

"The Paper, No. 3, which accompanied your letter, purports to be a 'specification of the sums appropriated in the years 1814–15, 1815–16 and 1816–17, to the reduction of the home-bond debt.' It appears from this paper, that of the sum of 628,300 *l.*, stated to have been so applied, an amount of 100,000 *l.* only has been in fact applied to the reduction of debt; the remainder, consisting of bonds amounting to 295,000 *l.*, *paid in* upon the Company's

Company's sales, and of bonds for 232,500 *l.* *brought up* by the Company, both which classes of bonds, amounting together to 528,300 *l.*, are stated as 'not *cancelled* but *re-issuable*,' at the pleasure of the Court. So far as this sum of 528,300 *l.* is concerned, therefore, there is no permanent reduction of debt, nor can that amount be deducted from the amount of 'surplus profits remaining to be appropriated until those bonds shall actually have been *cancelled* with the approbation of this Board.'"

"With respect to the sum of 100,000 *l.* *really* applied to reduction of debt in the years 1814 and 1815, by cancelling bonds to that amount, the Board feel it their duty to observe, that by the statute any reduction of *bond debt at home*, as well as of debt in the East Indies, must be made 'with the approbation of the Board of Commissioners.' It can hardly be necessary to argue, that this approbation must, for any useful purpose, be asked *previously* to the cancelling of the bonds.

"The Board do not mean to withhold their approbation in the present instance, but they trust that the like oversight will be avoided in future."

To this letter no answer was returned, and it was thence to be inferred that the Court had subsequently avoided the practice to which the Board objected, either by not receiving the bonds, or by continuing them, when received, among the outstanding debts of the Company; but it now appears, that shortly after the receipt of my letter the Court took the opinion of their standing counsel on two questions, of which the first was as follows:

"Whether the East India Company may lawfully re-issue such of their bonds as have been paid into their treasury for goods purchased at their sales, in the manner heretofore accustomed?"

Mr. Serjeant Bosanquet answered this question in the negative.

According to this opinion, the Court are compelled to cancel all the bonds which may be paid in at their sales, and there cannot possibly be any previous communication to the Board of the amount of such bonds; they would necessarily be discharged without the previous sanction required by the law. The amount so cancelled since 1818 appears to have been inconsiderable, but there is no security against the largest influx of bonds, and the principle involved is of great importance; the Commissioners therefore regret that the professional opinion which has led to a practice opposed, according to their recorded conviction, to the letter and spirit of the law, should not within seven years have been communicated to them.

It appears to the Board that Mr. Serjeant Bosanquet has correctly stated the law upon the points referred to him; but they wish that his opinion had been asked, whether the practice which occasioned the question is in itself legal, for it must be obvious to the Court, that so long as that practice continues, and the Act of 1813 remains in force, the Company do, by the mode of transacting their commercial business, discharge a part of their debt, of which the law positively and specifically prohibits the discharge without the consent of the Commissioners for the Affairs of India. The Board do not wish to interfere with the practice of the Company in respect to their sales, and they apprehend that it might not be impossible to devise an arrangement, under which the practice of receiving bonds might be continued without contravening the law which restrains the discharge of the bond debt, and it appears to the Board that some such arrangement is absolutely necessary. At present I am only directed to request that the Court will acquaint the Board in what manner they reconcile the discharge of bonds received at the sales with the provisions of the 55th and 57th sections of the Act 53 Geo. 3, c. 155.

I am, &c.
(signed) *T. P. Courtenay.*

LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 21st December 1825.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will move the Court of Directors to direct that an early reply may be given to my letter, dated 3d August last, relative to the appropriation of surplus commercial profits, and to certain enactments and regulations applicable to the Company's bond debt in England.

I have, &c.
(signed) *T. P. Courtenay.*

LETTER from *Peter Auber*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 5th January 1826.

Sir,

I AM ordered by the Court of Directors of the East India Company to acquaint you, for the information of the Board of Commissioners for the Affairs of India, that the Court have had under their consideration the observations contained in your letter of the 3d August last, and they have directed their particular attention to the request therein contained, that the Court will acquaint the Board in what manner they reconcile the discharge of bonds received at the Company's sales with the provisions of the 55th and 57th sections of the Act of 53 Geo. 3, c. 155; and I am commanded to inform you, that the Court *are advised,*

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advised, and that it appears to them, upon the best consideration which they can give the subject, that the sections in question could only have been intended to prevent a voluntary application of surplus profit, after satisfying the three first heads of appropriation, to the liquidation or reduction of bond debt without the consent of the Board; and that it cannot be supposed that they were intended to interfere with the discharge and extinction of individual bonds in the ordinary course of the Company's business, as established long before the passing of the Act.

The clause in the conditions of the Company's sales, engaging to receive their own bonds in payment, was not only in use at the time of passing the Act of 1813, but had existed invariably from the time of the first creation of the bond debt, and it does in truth add very little, if anything, to the legal liability under which the Company always are, and must necessarily be, to the holders of their bonds; for it will not have escaped the observation of the Board, that it is not merely in the case of bonds received at their sales that the Company are liable to have their bonds paid in, and the debts thereby secured, according to the opinion of Mr. Serjeant Bosanquet, legally discharged; but that, by the very nature of the instruments themselves, and the terms in which they have been issued from their earliest existence, the Company are always under a legal obligation, and compellable by action, upon notice by the holders of bonds, to pay to such holders their amount, whereby the debt would be extinguished by operation of law. It appears, therefore, to be evident that every discharge of the Company's bonds is not to be considered a reduction of so much of the bond debt, within the meaning of the appropriation clauses of the Act of the 53 Geo. 3, c. 155, since the Legislature cannot have meant to impose a restriction which the Court of Directors would be continually under the unavoidable necessity, by operation of law, of contravening. And when the clauses in question are construed, as they must be, with reference to the subject-matter to be regulated thereby, and the object which they had in view, there seems very little reason to suppose that they were intended to make any alteration necessary in the ordinary and established course of business, by which bonds received in payment would, as theretofore, become extinguished; but the Court are fully aware that any deviation from the ancient course, inviting the holders of bonds to bring them in with a view to accelerate the discharge of the bond debt, would not be justified without the previous consent of the Board.

I am directed to add, that the opinion of Mr. Serjeant Bosanquet, alluded to in your letter of the 3d August, was taken with a view to a point altogether different from that now under discussion; the doubt which gave rise to taking that opinion having no reference to the appropriation clauses of the Act of 1813, but arising from the operation of the stamp laws, and the effect of a legal discharge for a bond, having been once given to the obligor.

The Court have finally to observe, that as regards the application of certain sums from commercial profits to the discharge of Indian debt, which the Board, in their letter of the 3d of August, have remarked upon as being made without their consent, it appears to the Court that, when it is seen that of the total sum, viz. 2,088,064 *l.*, thus discharged, the previous sanction of the Board has been obtained, except to the amount of 30,354 *l.*, the omission to request that sanction may be deemed one of inadvertence, rather than of intention to contravene the provisions of the Act of 1813; the fact is, that in the instances alluded to, the terms of the bills being after date, they were presented for payment considerably after they had become due, not having been previously brought for acceptance, and were consequently paid *instanter*, without a previous reference to the Board for their sanction, which sanction the Court trust, under this explanation, the Board will not withhold.

I have, &c.
(signed) *Peter Auber*,
Assistant Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 8th March 1826.

Sir,

HAVING laid before the Commissioners for the Affairs of India the letter from Mr. Auber of the 5th of January, in answer to mine of the 3d August last, I am directed to acquaint you that the Board are not prepared to say that the view which the Court takes of the operation of the Act of 1813 is incorrect. They are desirous, however, before they come to a decision, that the opinion of the Company's standing counsel should be taken expressly upon the following questions:—

1. Whether, with reference to the provisions of the Act 53 Geo. 3, c. 155, it is lawful for the Company to receive their bonds in payment of goods sold, and to cancel such bonds, discharging the amount thereof by so much of the Company's commercial surplus, without the previous consent of the Board of Commissioners?

2. Supposing payment of a bond to be demanded, in virtue of the terms of the bond (as stated in your letter) at a time when there is no commercial surplus, how is the same to be discharged?

In regard to the sums already applied from surplus commercial profit to the discharge of the Indian debt, without the previous sanction of the Board, I am directed to acquaint you that under the explanation given in your letter, they are not disposed to withhold their sanction

tion to those appropriations. As the omission is stated in that explanation to have arisen from inadvertence only, it will be sufficient, on the present occasion, to refer to the observation on this point contained in the second paragraph of my letter of 3d August last.

I have, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 14th July 1826.

Sir,

THE Court of Directors, in compliance with the desire of the Board of Commissioners, expressed in your letter of the 8th March last, having directed a Case to be prepared for the opinion of the Company's standing counsel, upon certain points connected with the discharge of the Company's bond debt in England, I am commanded to transmit a copy of the said Case and Opinion for their information.

I have, &c.
(signed) *J. Dart*, Secretary.

(Enclosure.)

CASE for the East India Company.

THE East India Company were incorporated by and now act under a Charter, granted by King William the Third, dated the 5th September 1698. The main object of the incorporation was to establish the Company as traders, with a joint-stock, to and from the East Indies; they engaged that trade exclusively till the year 1814. By the Charter, the Company are entitled to the ordering, rule and government of all such forts, factories and plantations as should at any time be settled by the Company, with power to appoint and displace governors and officers; and for such governors and officers, according to the directions of the Company, to raise, train and muster such military forces as should be necessary for the defence of the said forts, places and plantations: and the Company, under and by virtue of other Charters, (to the benefit of which they became entitled) have power to send ships of war to their settlements in the East Indies, to raise and keep a military force, and to make peace or war with any princes or people, not Christians, in any places of their trade, and also to right and recompense themselves upon the goods, estate or people of those parts by whom they should sustain any injury, loss or damage, or upon any other people that should any way interrupt, wrong or injure them in their trade, within the limits of their Charter.

Previously to the middle of the last century, the Company had established very considerable factories and settlements in the East Indies: but till that time such factories and settlements were considered purely as subsidiary to their trade. Shortly after the middle of the last century, the Company acquired, by conquest and treaty, extensive territorial dominions, yielding very large revenues, which were looked to as an object of great profit to the Company, and were of a magnitude to induce a claim on the part of the British nation to the property of them, and several Acts of Parliament have been passed from time to time, and (some of which Acts will be hereafter referred to), by which the possession of the countries and revenues thus acquired has been continued in the East India Company, subject to Parliamentary regulation, but without prejudice to the rights either of the Public or the Company.

The affairs of the Company, political and commercial, have required permanent loans of very considerable sums of money, both at home and in the East Indies.

The debt of a permanent nature at home, is called the Bond debt; the debt of a permanent nature abroad, is called the Indian debt.

The questions hereafter proposed relate solely to the bond debt; but as the Indian debt has had considerable influence upon the bond debt, and as the Parliamentary enactments as to the one occasionally have reference to the other, we have thought it expedient to trouble counsel with the history of both in some degree, that the object of the Parliamentary regulations respecting them may be more intelligible.

The bond debt was originally occasioned by their mercantile concerns; but since the acquisition of Indian territory, the money raised thereby has been applied to political as well as commercial purposes; its existence and amount has at times been authorized and limited by Parliamentary regulation. The following is the substance of the Acts relative to it:

The Company are restricted (for the protection of the Bank of England, and in good faith to them) from borrowing, owing or giving security for any other sum of money than shall be employed in their trade; and it is required, that all sums borrowed shall be borrowed only on their common seal, and shall not be payable at any time less than six months from the time of the borrowing thereof. — 9 & 10 W. 3, c. 44, s. 75.

To enable the Company to advance a sum of 1,200,000 *l.* to Government, it is declared that the common seal of the Company may be made use of to borrow any sum or sums of money from time to time, upon account of the united stock and fund, so as the sum total of all the principal monies which at any one time should be owing upon the security of the said seal, should not exceed 1,500,000 *l.* over and above the monies which might lawfully be borrowed thereupon before the making of that Act. — 6 Ann. c. 17, s. 2.

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The Company were empowered * to extend their bond debt to the extent of 5,000,000 *l.*, with a proviso, that it should not be lawful for the Company to borrow, owe or give security for any greater sum than should be employed in their trade, or should be advanced or lent on the bottom of any ship, or on goods on board any ship of the Company, or in the service of the Company, to any captain, agent, sailor or other person which should at any time be employed in the service of the Company, with a similar proviso, as in the Act of Queen Anne, requiring that all monies borrowed should be borrowed on the common seal, and should not be made payable in less than six months.

* 7 Geo 1, c. 5, s. 32 & 33.

17 Geo. 2, c. 17. s. 8.

In order to enable the Company to advance a further sum of 1,000,000 *l.* to the Public, they were empowered to borrow further sums of money upon the security of their seal, so as the sum total of all principal monies which should at any one time be owing upon the security of the said seal, should not exceed 1,000,000 *l.* over and above the monies which might lawfully be borrowed thereupon before the making of that Act.

23 Geo. 2, c. 22; s. 6.

The Company were empowered to raise money by sale of annuities, upon the credit of annuities payable by the Public to the Company.

It is enacted, that the several powers given to the Company by several Acts of Parliament then in force, for raising money by bond, should continue and be in force, but that the amount of the sums which the Company should raise by sale of annuities by virtue of that Act, should be applied towards the discharge of their then bond debt, and should be computed and considered as part of what they were so empowered to borrow.

By the means mentioned in the Act last referred to, and otherwise, the bond debt of the Company was in fact reduced to the sum of 1,500,000 *l.*, and did not exceed that sum at the time when the Act of Parliament next hereinafter mentioned was passed.

23 Geo. 3, c. 36, s. 2.

In order to give a temporary relief to the Company in respect to their commercial debts, the Company are empowered to borrow money upon and issue bonds under their common seal, as the affairs of the Company might require, not exceeding the sum of 500,000 *l.* beyond the amount of the Company's then bond debt.

28 Geo. 3, c. 29.

Recites, that it was expedient, in consideration of the then state of the affairs of the Company, that they should be enabled to issue bonds for the purposes of their trade, and for discharging sundry demands to which they were liable, to a larger amount than they were then by law authorized to do; and it enacts, that it should be lawful for the Company to borrow money upon and issue bonds under their common seal, as the affairs of the Company might require, not exceeding the sum of 1,200,000 *l.* beyond the sum for which the Company might then by law issue their bonds.

33 Geo 3, c. 47: s. 14.

By this Act the Company were enabled to raise money by increasing their capital stock.

That out of the monies so raised, the Company were required, in the first place, to apply so much thereof as should be sufficient for the purpose of reducing their bond debt in Great Britain to the sum of 1,500,000 *l.*

s. 15.

That after the bond debt should be reduced to 1,500,000 *l.*, it should not be lawful for the Company to increase their bond debt in Great Britain beyond that amount without the approbation of the Board of Commissioners for the Affairs of India, and that the whole increase should in nowise exceed 100,000 *l.*

34 Geo. 3, c. 41.

The Company were empowered to continue their bond debt at the sum of 2,000,000 *l.*, without applying any further part of the money raised under the Act of 33d Geo. 3, in reduction of it to 1,500,000 *l.*; and the Company were further empowered, with the approbation and consent of the Commissioners for the Affairs of India, at any time or times thereafter, to borrow upon and issue bonds under their common seal for any further sum or sums of money, not exceeding in the whole 1,000,000 *l.*, for the purposes of their trade, as circumstances might require.

37 Geo 3, c. 31.

Reciting, that the affairs of the Company required the permanent advance of a considerable sum of money beyond what the Company could raise under the powers then vested in them by law; they are empowered to raise money by adding 2,000,000 *l.* to their capital stock.

[*Note.*—The Company have never yet availed themselves of this Act.]

47 Geo. 3, c. 41.

After reciting the three Acts last above referred to, the Company were empowered, with the consent of the Board of Commissioners for the Affairs of India, at any time or times thereafter, to borrow upon bond any further sums, not exceeding 2,000,000 *l.* sterling over and above such sums as the Company could then lawfully raise on their bonds, and to apply the money so borrowed for such purposes as, under the Act of 37th Geo. 3, the money to be raised by enlarging the capital stock was applicable.

51 Geo 3, c. 64.

After reciting the Acts of 37 and 47 Geo. 3, and that a considerable part of the debt secured by the engagement of the said Company in the East Indies, and which was incurred by reason of territorial and political expenses in that country, had then lately been discharged in India by means of bills drawn by the governments of the said Company in the East Indies, upon their Court of Directors in London, and thereby it had become necessary for the said Company to provide in this country a much larger sum of money than in the ordinary course of their transactions could arise from the sales of their goods, and the ordinary receipts and means of the said Company:

And reciting, that the Company had not yet increased their capital stock by virtue of the powers contained in the first-mentioned Act, and that it was expedient that their power to raise money upon their bonds should be enlarged, so that they might be enabled either to raise a further sum by bond or by increase of their capital stock; and therefore that the provision in the said last-recited Act, as to the application of the money to be raised by increasing the capital stock of the said Company, and as to the reduction of the power of the said Company to increase the bond debt in a certain case,

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case, should be repealed, and that other provisions should be made in respect thereof; it is enacted, "That it shall and may be lawful to and for the said Company, by and with the approbation and consent of the Board of Commissioners for the Affairs of India for the time being, at any time or times hereafter, to borrow, upon bonds to be issued under their common seal, any further sum and sums of money not exceeding in the whole the sum of 2,000,000*l.* sterling over and above such sum and sums as the Company can now lawfully raise on their bonds, and to apply the money so to be borrowed and raised for such purposes as, under and by virtue of the said Act of the 37th year of the reign of his said Majesty, the money to be raised by enlarging the capital stock of the said Company is applicable, anything contained in the said recited Act or any other Act notwithstanding.

51 Geo. 3, c. 64, s. 2.

"And be it further enacted, that so much of the said Act of the 47th year of the reign of his present Majesty as provides that all the money to be raised by enlarging the capital stock of the said Company as therein mentioned, should be applied towards the reduction of the bond debt of the said United Company until it should be so reduced to the sum which the said Company might then lawfully raise by bond, and as provides, that in case the said Company should enlarge their capital stock, then that the sum which they were thereby empowered to raise by bond should be reduced, shall be and the same is hereby repealed.

s. 3.

"Provided always, and be it enacted, that when the said United Company shall have raised, under and by virtue of the said Act of the 37th year of the reign of his present Majesty, and of the said Act of the 47th year of the reign of his present Majesty, and of this Act, such sums of money as together shall amount to the sum of 4,000,000*l.* sterling, then and from thenceforth it shall not be lawful for the said Company to raise any further sum of money upon bond; and all money which from thenceforth shall be raised by increase of capital stock under and by virtue of the said first-mentioned Act shall be applied in discharge of the said bond debt, until the said bond debt created by virtue of the said Act of the 47th year of the reign of his Majesty or this Act, together with the money to be raised by increase of capital as aforesaid, shall be reduced to the sum of 4,000,000*l.* sterling.

s. 4.

"And whereas bonds, issued under the common seal of the said United Company, for money borrowed by them by virtue of the powers enabling them to borrow money upon bond, have usually been entered into, and have been expressed to have been made payable to the person who for the time being has been the treasurer of the said United Company, or his assigns, and upon his indorsement thereof they have been sold and passed from one person to another by delivery of the possession thereof, and it is expedient that a legal effect should be given to such mode of transfer of the property in the said bonds and the money secured thereby; be it therefore further enacted, that all bonds issued or to be issued under the common seal of the said United Company by virtue of any power by which they have been, are or hereafter may be authorized to borrow money upon their bonds, shall be assignable and transferable by delivery of the possession thereof; and upon every such assignment or transfer, the money secured by the bond so assigned or transferred, and due and to become due thereon, and the property in such bond, shall be absolutely vested as well at law as in equity in the person or persons, body or bodies politic and corporate, to whom the same shall be so assigned or transferred, and the person or persons, body or bodies politic and corporate, to whom any such bond shall be so assigned and transferred, and his, her or their executors, administrators and successors respectively, shall and may maintain his, her or their action for the principal and interest secured thereby and due thereon, or otherwise relating thereto, in like manner as the obligee or obligees named in any such bond, or his, her and their executors, administrators and successors, may now maintain any action thereon; and in every such action the plaintiff or plaintiffs shall recover his, her or their debt, damages and costs of suit; and if any such plaintiff or plaintiffs shall be nonsuited, or a verdict be given against him, her or them, the defendant or defendants shall recover his, her or their costs against the plaintiff or plaintiffs; and every such plaintiff or plaintiffs, defendant or defendants respectively recovering, may sue out execution for such debt, damages and costs by *capias, fieri facias*, or *elegit*."

The debt for money borrowed in the East Indies originated in political necessity, and it is now quite certain that the whole of the money so borrowed has been absorbed by political expenses, occasioned by their possession of the Indian territories. The original creation of the Indian debt was not authorized either by Charter or Act of Parliament, and perhaps it was justifiable only by political necessity; it has, however, since its creation, been frequently recognized by Parliament, but its amount has never been limited. The terms on which loans of money have been made in India have been very different from each other; for some, the Company have been merely pledged for the repayment, and have been rendered liable to the lenders, either at home or abroad, wherever and whenever they should please to call for repayment: other loans have been made upon condition of repayment, on the expiration of specified periods, and sometimes at home and sometimes abroad, and at other times either at home or abroad, at the option of the creditors. The principal of the larger part of the existing debt for money borrowed in India, according to the terms of the loans, is repayable in India, but the creditors are entitled, at their option, to be paid their interest from time to time in money in India, or by bills of exchange payable and to be provided for by the Company in London.

52 Geo. 3, c. 135.

The only Act of Parliament which separately relates to the Indian debt is 52 Geo. 3, c. 135, which recites that it had been resolved that a sum not exceeding 2,500,000*l.* should

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should be granted to his Majesty, for the purpose of enabling his Majesty to advance the like sum to the East India Company, for their relief under their then present circumstances, and that it had been provided that the said sum should be raised by the creation of 3,000,000 *l.* reduced 3 per cent. annuities, and 1,400,000 *l.* consols; and that it had been agreed that the interest thereof, and the sums to be paid on account of the sinking fund, for redemption and for charges of management thereof, should be charged and be deemed and considered to be a charge upon the revenues of the British territories in the East Indies, and should be advanced by the East India Company in London, to answer the said interest, sinking fund and charges of management: and the Act then provides for creation of the annuities, and for payment by the East India Company in London of the sums required for the interest, sinking fund and charges of management from time to time as they should become due.

52 Geo. 3, c. 135, s. 11.

Sect. 11 enacts, that the several sums to be paid for interest, sinking fund, and charges of management should be and be deemed and considered to be a charge upon the revenues of the territorial acquisitions in the East Indies, in like manner as if the interest payable in respect of the Indian debts, which had been or might be discharged by means of the said 2,500,000 *l.*, had remained payable in the East Indies, and that it should be lawful for the East India Company to cause funds for the payment of such interest, sinking fund and charges of management and all sums of money which they should have become liable to pay in respect thereof, to be appropriated and provided for out of the Indian revenues, and to be remitted to England in the same order of preference in which the interest on such debts so discharged would have been payable if they had remained due and owing in the East Indies.

Since the time when the Company first acquired territory in the East Indies and the revenue thereof was claimed on the part of the Public, the funds of the Company, both at home and abroad, have from time to time at different periods been appropriated by agreement, confirmed by Acts of Parliament, to specific objects: and different provisions have existed at different times for the government of this country, having a cognizance of the management of the Company's affairs: these Acts are the 9th Geo. 3, c. 24; 13th Geo. 3, c. 64; 19th Geo. 3, c. 61; 20th Geo. 3, c. 56; 21st Geo. 3, c. 65, and 33d Geo. 3, c. 52, the appropriating provisions of which have all determined: by the Acts of the 13th, 19th and 20th Geo. 3, the Company are required half-yearly, and by the Act of 21st Geo. 3, they are required yearly (and by the last Act it is expressed to be in order to ascertain the yearly net profits arising from the Company's trade and revenues), to cause to be made up with as much accuracy as the nature of the case will admit, a statement of the profit and loss upon the whole of the trade and revenues of the Company, together with the state of the debts of the Company in England from the 1st day of March in every year to the 1st day of March in each succeeding year, which account was to be transmitted within 30 days after the day to which such statements or accounts were made up, to the Lords of the Treasury; and by the Act of the 21st of the King, the Company were required to make out at the same time with the account before directed, an account of the value of all the Company's goods which should remain unsold in their warehouses in England at the time of making up the said account, exclusive of discounts, customs, commission to supercargoes, and of all and every other charge whatsoever, to be deducted therefrom; and it was also required that accounts of the gross amount of all the territorial revenues received by the Company, and of all their disbursements, charges of management, civil, military and other expenses and charges, and also of the said Company's debts at each of their settlements in the East Indies, and accounts of the net proceeds of each of their settlements in the East Indies, should be made up annually, and delivered to the Lords of the Treasury on or as soon after the 1st day of March in each year as the receipt of the necessary materials from the East Indies would allow to prepare such accounts.

In the Act of the 33d of the King no direction is contained for the Company's delivering any accounts to the Lords of the Treasury, or for their making up any profit and loss account, but the following provision is substituted for the provisions in the Act of 21st Geo. 3, as to making up accounts:

33 Geo. 3, c. 52, s. 126.

"And be it further enacted, that the Court of Directors of the said Company shall, within the first 14 sitting days next after the 30th day of March in every year, lay before both Houses of Parliament an account, made up according to the latest advices which shall have been received, and with as much accuracy as the nature of the case will admit, of the annual produce of the revenues of the British territories in India, distinguishing the same under the respective heads thereof at each of their several presidencies or settlements, with the amount of their sales of goods and stores within the limits of their exclusive trade; and of their annual disbursements within the said limits, distinguishing the same under the respective heads thereof, together with the latest estimate of the same; and also the amount of their debts abroad, with the rates of interest they respectively carry, and the annual amount of such interest; the state of their effects at each presidency or settlement and in China, consisting of cash and bills in their treasuries, goods and stores and debts owing to the said Company, according to the latest advices which shall have been received thereof; and also a list of their several establishments in India and other parts within the limits of their exclusive trade, and the salaries and allowances payable by the said Company in respect thereof; and also another annual account, made up to the 1st day of March next preceding the delivery thereof to Parliament, containing the amount of the proceeds of the sale of the goods and merchandizes of the said Company in Great Britain and of their

their commercial and other receipts, charges and payments in Great Britain, under the several heads thereof, together with an estimate of the same for the current year, and a statement of their bond debts and simple-contract debts, with the rates of interest they respectively carry, and the amount of such interest, and the state of the cash remaining in their treasury, and other effects appertaining to the Company in Great Britain or afloat: and if any new or increased salaries, establishments or pensions, payable in Great Britain, shall have been granted or created within the preceding year, the particulars thereof shall be specially stated and inserted at the foot of such account."

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The following are the provisions by which the Company's funds abroad and at home are now specially appropriated:

"And be it further enacted, that for and during the continuance of the possession and government of the said territorial acquisitions and revenues in the said United Company, the rents, revenues and profits arising from the said territorial acquisitions, after defraying the charges and expenses of collecting the same, shall be applied and disposed of to and for the uses and purposes hereinafter expressed, in the following order of preference, and to or for no other use or purpose, or in any other manner whatsoever, any Act or Acts of Parliament now in force to the contrary notwithstanding; (that is to say,) In the first place, in defraying all the charges and expenses of raising and maintaining the forces, as well European as Native, military, artillery and marine, on the establishments in the East Indies and parts aforesaid, and of maintaining the forts and garrisons there, and providing warlike and naval stores: Secondly, in payment of the interest accruing on the debts owing or which may be hereafter incurred by the said Company in the East Indies or parts aforesaid, including that portion thereof for which bills shall be demanded payable in England, and for which provision shall at all times be made by consignments or remittances to England, as the said Court of Directors, with the approbation of the said Commissioners for the Affairs of India, shall from time to time direct: Thirdly, in defraying the civil and commercial establishments of the said Company at their several settlements there: Fourthly, towards the liquidation of the territorial debt of the said Company, or of the bond debt at home, or to such other purposes, subject to the provisions hereinafter made, as the said Court of Directors, with the approbation of the Board of Commissioners for the Affairs of India, shall from time to time direct, any Act or Acts of Parliament to the contrary thereof notwithstanding. 33 Geo. 3, c. 155, s. 55.

"And whereas it is not reasonable that the commercial funds of the said Company should be exposed to embarrassment by payments made in Europe on account of territorial charges; Be it therefore enacted, that a sum equal to the actual payments which shall have been made from the commercial funds at home on account of territorial charges in the year preceding, after deducting therefrom the charges of the commercial establishments and all the commercial charges in India which may have been paid from the territorial revenues in the same year, shall in each and in every year be issued in India for the purpose of the said Company's China or India investment, or of remittance to England on account of the said Company, at the option of the said Court of Directors: Provided always, that any excess which may happen to be issued in any year for the purposes of investment, beyond the actual payment which shall have been made in the same year by the said Company in Europe, on account of territorial charges, shall be taken into account in diminution of the sum to be applied to the purposes of investment for the year following. s. 56.

"And be it further enacted, that for and during the continuance of the possession and government of the said territorial acquisitions and revenues in the said United Company, the net proceeds of their sales of goods at home, with the duties and allowances arising by private trade, and all the commercial profits and other receipts of the said Company in Great Britain, shall be applied and disposed of in manner following; (that is to say,) First, in providing for payment of bills of exchange already accepted and hereafter to be accepted by the said Company, as the same shall become due: Secondly, in providing for the current payment of other debts (the principal of the bond debt in England always excepted) as well as interest, and the commercial outgoings, charges and expenses of the said Company: Thirdly, in payment of a dividend after the rate of 10 *l.* per centum per annum on the present or any future amount of the capital stock of the said Company, for and during such time as a certain fund of the said Company's hereinafter mentioned, called "The Company's separate Fund," shall be sufficient to pay a dividend, after the rate of 10 *s.* for every 100 *l.* per annum, on the present or any future amount of the capital stock of the said Company, and when and so soon as the said last-mentioned fund shall be exhausted, then in payment of a dividend at the rate of 10 *l.* 10 *s.* per centum per annum on the then existing or future capital stock of the said Company: provided that no greater dividend shall be paid in the whole, in any one year, than at the said rate of 10 *l.* 10 *s.* per centum per annum upon the present or future capital stock of the said Company: Fourthly, in reduction of the principal of the debt in the East Indies or parts aforesaid, or of the bond debt at home, as the said Court of Directors, with the approbation of the said Board of Commissioners, shall from time to time direct, any Act or Acts of Parliament to the contrary notwithstanding. s. 57.

"And whereas it is not reasonable that the Company's commercial profits should be liable annually to the payment in Europe of territorial charges, till the said dividend after the rate of 10 *l.* 10 *s.* per centum per annum shall have been paid and discharged; Be it therefore provided and enacted, that the net proceeds of the sales of goods and other commercial profits of the Company in Great Britain as aforesaid, shall not be liable to the s. 58.

liquidation

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liquidation of any charge on account of the territorial or political government of India payable in England, or any bill of exchange or certificate drawn on account of the territorial or political charge in India, till after the dividend on the capital stock of the said Company shall first have been provided for; excepting always such bills and certificates for the amount of which value shall have been previously paid in India from the territorial or political funds, and consignments or remittances made thereof to England, for the liquidation of the said bills and certificates; excepting likewise the amount of the interest and sinking fund on the loan advanced by the Public to the said Company, as provided in an Act passed in the 52d year of his present Majesty, intituled, 'An Act for advancing 2,500,000 *l.* to the East India Company, to enable them to discharge part of the East India Debt,' which said interest and sinking fund shall nevertheless continue to be deemed a territorial charge, and shall be accounted for as such out of the produce of the revenues of India; provided also, that in case sufficient funds shall not remain in the hands of the said Company, after payment of the dividend, to discharge all such bills as shall be drawn for the interest of any loan in India under conditions now subsisting, or which may be contracted at any time before the 10th day of April 1814, entitling the holders of such loan to receive bills on the said Company for the payment of the interest thereof, the residue of such bills, so long as such interest may be demandable in England, shall be discharged in such manner as Parliament shall from time to time direct; provided also, that if any monies shall be received into the treasury of the Company at home, upon the credit of bills to be drawn upon the Company's territorial or political funds abroad, or in liquidation of bills of exchange remitted, or of any other security for advances made in India from the said territorial or political funds, or of any advances made from such funds on account of His Majesty's Government, or on any other account, the said monies shall be set apart and applied to defray the territorial or political charges to which the said Company is liable in Europe, and the excess of such funds shall be subject to such further appropriations as the territorial revenues are liable to by virtue of this Act; provided also, that in the event of the commercial profits of the said Company at home being insufficient, in any year, fully to defray the said dividend, it shall and may be lawful to make good any such deficiency out of any surplus revenue that may have arisen in the preceding year of account out of the territorial revenues, after the payment of all charges, interest of debt included.

33 Geo. 3, c. 155, s. 59.

"And be it further enacted, that when the principal debt of the said United Company, bearing interest in India, shall have been reduced to the sum of 10,000,000 *l.* sterling, calculated at the exchange of 2 *s.* for the Bengal current rupee, 8 *s.* for the Madras pagoda, and 2 *s.* 3 *d.* for the Bombay rupee, and the bonded debt in Great Britain shall have been reduced to the sum of 3,000,000 *l.* sterling, then and thereafter the surplus proceeds which shall be found to arise from the said rents, revenues and profits of the said territorial acquisitions, and from sales of the goods and the profits of the trade of the said Company, or in any other manner, after providing for the payments aforesaid, shall be applied to the more speedy repayment of the capital of any public funds or securities which have been or may be created for the use of the said Company, the charges of which have been or may be directed to be borne by the said Company by virtue of any Act or Acts of Parliament, and that any further surplus that may arise shall be set apart and from time to time paid into the receipt of His Majesty's Exchequer, to be applied as Parliament shall direct, without interest to be paid to the Company in respect or for the use thereof; but nevertheless it is hereby declared, that all such sums of money as shall be so paid into the receipt of His Majesty's Exchequer as aforesaid, not exceeding 12,000,000 *l.* sterling, shall be deemed and taken to be a fund for securing to the said United Company the capital stock of the said United Company, and also a dividend at the rate of 10 *l.* 10 *s.* per centum per annum in respect thereof; and of the excess of such payments, if any, beyond the said amount of 12,000,000 *l.* sterling, one sixth part shall from time to time be reserved and retained by the said United Company for their own use and benefit, and the remaining five sixth parts shall be deemed and shall be the property of the Public, and at the disposal of Parliament.

s. 60.

"Provided also, and be it further enacted, that if the debts of the said Company in India, after the same shall have been reduced to 10,000,000 *l.* sterling, calculated as aforesaid, shall be again increased beyond that amount, or if their bond debt in Great Britain, after the same shall have been reduced to 3,000,000 *l.* sterling, shall be again increased beyond that sum, then so often as either of those cases shall happen, such surplus proceeds shall be appropriated to the reduction of the said new debts respectively, until the whole of the debts of the said Company in India shall be again reduced to 10,000,000 *l.* sterling, calculated as aforesaid, and their bond debt in Great Britain to 3,000,000 *l.* sterling, anything in this Act contained to the contrary notwithstanding.

s. 64.

"And be it further enacted, that from and after the passing of this Act, the said Court of Directors of the said Company shall and they are hereby required to direct and order that the books of account of the said Company, at their several presidencies and settlements in India, at their factory in China, at the island of St. Helena, and in all other places as well abroad as in England, be so kept and arranged as that the same shall contain and exhibit the receipts, disbursements, debts and assets appertaining to or connected with the territorial, political and commercial branches of their affairs respectively, and that the same shall be made up in such manner that the said books shall contain and exhibit the accounts of the territorial and political departments separately and distinctly from such as appertain to or are connected with the commercial branch of their affairs; and the said Court of Directors are hereby required forthwith, after the passing of this Act, to prepare a plan for an

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an arrangement of the accounts of the said Company in the manner aforesaid, and to submit the same to the said Board of Commissioners for the Affairs of India for their approbation; and it shall be lawful for the said Board of Commissioners from time to time to make such alterations and amendments therein, and such additions thereto, as they shall think fit, which said plan so approved, altered, amended or added to by the said Board of Commissioners, the said Court of Directors shall direct and order to be carried into execution."

33 Geo. 3, c. 155, s. 65.

"And be it further enacted, that the several accounts required by the said Act of Parliament of Great Britain of the 33d year of His present Majesty to be annually laid before both Houses of Parliament, shall be henceforth prepared and arranged, in conformity to the principles of separation hereinbefore directed, of the territorial and political branch from the commercial branch of the affairs of the said United Company."

The provision of the 33d Geo. 3, c. 52, s. 126, still remains in force, excepting that by the Act of 54 Geo. 3, c. 36, s. 55, the accounts are directed to be made up to the 1st May in each year, instead of to the 1st March.

The bonds which the Company have issued by virtue of the powers given to them by the several before-mentioned Acts, have always been in the following form, varying only the sum, the date, the name of the treasurer, and the rate of interest; they are always made payable to the treasurer for the time being, his executors, administrators or assigns, and are signed by the Company's accountant and deputy accountant for the time being, and sealed with the Company's seal.

"No. (A.) 15,056. £. 100.

"The United Company of Merchants of England trading to the East Indies, do "acknowledge to have received of William Harris One hundred pounds, which the "said Company promise to repay to the said William Harris, his executors, adminis-"trators or assigns, (by indorsement hereon) with interest for the same, from the "31st day of March last, after the rate of 3 *l.* for 100 *l.* for a year, at the East India "House in Leadenhall-street, London, on six months notice to be given by the Com-"pany in the London Gazette, or on six months notice to be given by the said "William Harris, his executors, administrators or assigns, to the Company's accountant "in writing at the East India House aforesaid, for the true payment whereof in man-"ner aforesaid the said Company do hereby bind themselves and their successors in "the penal sum of 200 *l.* In witness whereof the said Company have caused their "common seal to be hereunto affixed, this 1st day of April 1775.

"Signed by order of the Court of Directors
"of the said Company,

L. S.

"*Samuel Nicoll.*
"*H. Richardson.*"

The bonds have always been issued upon such a stamp as at the date of their respective issues was requisite by the then existing stamp laws for a money bond to that amount.

The interest upon them has been payable half-yearly, on 31st March and 30th September, and has been paid from time to time as soon after those days as the holders have applied at the India House; when the interest is paid at the India House, the date up to which it is paid is endorsed upon the bond.

For a long series of years the printed condition under which the sales of the Company's goods have been made have contained the following clause:

"The Company do likewise declare that they will take, in payment for the goods to be bought at this sale as and for money, any of their bonds, whereon at the time of payment or tender of the same there shall be six months interest due."

Under this clause it has from time to time happened, when the bonds have been either at par or at a discount, that they have been brought into the Company's treasury, in payment for goods bought at their sales by the holders of such bonds; when so received, it was the custom (prior to the year 1818) for some of them to be immediately re-issued, by being sent into the market and disposed of by the Company in the same manner as would have been the case if they had been in the hands of any individual, while others of them were frequently retained in the Company's treasury for months, or even for years, according as the circumstances of their treasury required a greater or a less supply of cash, such of them as have been so held by the treasurer from time to time, were held by him prior to 1818, as a sort of deposit, with no intention on the part of the Company of cancelling them, and before the year 1818 (when, under your opinion, the practice was found to be a violation of the stamp laws) the Company re-issued them as their occasions required; but in the periodical statements of the Company's accounts laid before Parliament, in which the amount of the bond debt is stated under the head of "Bonds Outstanding, bearing Interest," the bonds so held by the treasurer have never been returned as part of the then existing bond debt.

Whenever payments have been thus made into the Company's treasury for goods bought at their sales, consisting partly of bonds and partly of cash, it has been the custom of the treasurer to debit himself for the gross amount of all the bonds and all the cash received

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as for so much cash, and then to credit himself per contra for so much of it as consisted of bonds. So long as such bonds have so remained in the treasurer's hands, no entry has been made in the Company's books of the interest accruing upon them, but they have been treated in all respects as a non-existing debt; but when they were re-issued to the Public, under the practice which prevailed prior to 1818, the amount of the interest then due upon them was indorsed upon them as having been paid up to the last half-yearly pay-day preceding, and the treasurer gave credit in his books as for so much interest received on such bonds, and discharged himself as for so much interest paid upon them, the accruing interest subsequent to the last half-yearly pay-day being charged to and paid by the purchaser in the market, in the same manner as if the transaction had been between individuals,

The Company have never availed themselves of the powers given them to raise money upon bond to the full extent to which the Acts of Parliament hereinbefore referred to authorize them to do: the actual amount of their bonds, now in existence is about 3,780,000 *l.*

At the suggestion of the Board of Commissioners for the Affairs of India, the Court of Directors request your opinion upon the following points:

1st. Whether with reference to the provisions of the Act of 53 Geo. 3, c. 155, it is lawful for the Company to receive their bonds in payment of goods sold, and to cancel such bonds, discharging the amount thereof by so much of the Company's commercial surplus, without the previous consent of the Board of Commissioners?

2dly. Supposing payment of a bond to be demanded in virtue of the terms of the bond hereinbefore set forth, at a time when there is no commercial surplus, how is the same to be discharged?

First. I am of opinion that it is lawful for the East India Company to receive their bonds in payment for goods sold, according to the practice which subsisted at and a long time before the passing of the 53d Geo. 3, c. 155, and to cancel such bonds without having obtained the previous consent of the Board of Commissioners; the discharge of the bond by such receipt in payment being a consequence of law.

It does not appear to me that the 53 Geo. 3, c. 155, which directs in what manner the *net proceeds of the Company's sales at home*, with the duties and allowances arising by private trade, and all the commercial profits and other receipts of the Company in Great Britain, should be applied and disposed of, was intended to interfere with the accustomed mode of conducting the Company's sales and receiving payment for the goods then purchased. The object of the clause was to direct how the money resulting from their transactions at home should be appropriated when received. The practice of giving notice by advertisement that bonds would be taken in payment of goods purchased at the Company's sales, had prevailed for a long series of years previous to the 53 Geo. 3. The holders of the Company's bonds were entitled to rely upon this practice, and the discontinuance of it would tend to discredit the bonds. It is therefore very improbable that the Legislature should have intended to interfere with it. The receipt of bonds in this way certainly operates to the extinction of the debt due upon the bonds so received. This is a necessary and legal consequence of the bonds coming into the Company's treasury; and if this or any other method were now resorted to for the first time, for the purpose of getting the bonds out of the market without the sanction of the Commissioners for the Affairs of India, it might be considered as an indirect mode of reducing the bond debt with the proceeds of the Company's sales, without the consent of the Commissioners; but the extinction of the debt by receiving the bonds in payment is incidental only to the transaction of sale, and not the object in view: and I cannot think that the Legislature intended either to prohibit the continuance of the long-established practice of taking bonds in payment, or to require that the consent of the Board should be asked upon every sale before the usual notice was inserted in the advertisement. The appropriation directed by the 57th section applies, as I conceive, to the proceeds actually realized according to the course of the Company's usual mode of dealing; and whatever surplus of those proceeds is found beyond what is necessary to satisfy the three first heads of appropriation, it is to be applied either in the reduction of the existing bond debt or of the Indian debt, as the Court and Board may agree. The exception of the principal of the bond debt in England, contained in the second head of appropriation, does not, in my opinion, import that no bond is ever to be paid off until after the third head has been provided for. The object of that exception was to exempt the Company from an obligation, under the general word "Debts," to provide funds for the payment of the principal of the bond debt before making a dividend, not to prohibit the discharge of any bonds before payment of the dividend; the bond debt is at all times liable to be reduced before payment of the dividend, and without the consent of the Commissioners, whenever the holders of bonds may think fit to give six months notice of demanding payment.

Second. Whenever payment is demanded according to the terms of a bond, by giving six months notice, I am of opinion that the holder is entitled to enforce payment, whether the Company have or have not any commercial surplus, and that any goods, the property of the Company, may be taken in execution to satisfy such bonds.

Lincoln's-Inn, 6 July 1826. (signed) *J. B. Bosanquet.*

LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 28th July 1826.

Sir,

IN reference to your letter of the 14th instant, transmitting a case and opinion of the Company's standing counsel relative to certain points connected with the discharge of the Company's bond debt, I am directed by the Commissioners for the Affairs of India to request that you will move the Court of Directors, in case they concur in the opinion of their counsel, to direct an account of the surplus commercial profits of the Company, such as was called for by my letter of 2d June last, to be prepared in accordance with that opinion, as it respects the home-bond debt discharged, and transmitted for the information of the Board.

I have, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas Peregrine Courtenay*, Esq.; dated East India House, 14th September 1826.

Sir,

IN compliance with the request of the Board of Commissioners for the Affairs of India, as signified in your letter to me of the 28th July last, I transmit, by order of the Court of Directors, an account of the surplus commercial profits of the Company, such as was called for by your letter of the 2d June last, prepared in accordance with the opinion of the Company's standing counsel, as it respects the home-bond debt discharged.

In regard to the appropriation of the surplus profits, the Board will necessarily perceive that 334,399*l.* has been applied in discharge of home-bond debt; of this sum, 100,000*l.* has already been sanctioned by the Board, by your letter of 22d August 1818; the sum of 1,899*l.* has been paid off by reason of the proprietors refusing to accept the reduced rate of interest; and as the Board were regularly informed of the Court's intention to effect a reduction of interest, and expressed their acquiescence in the proposed measure, it is presumed that all bonds paid off at the request of the holders under these circumstances, must be deemed as virtually having been paid off with the sanction of the Board.

The remaining sum, 232,500*l.*, consists of bonds bought up in the years 1814-15 and 1815-16, when at a discount in the money market, and were consequently pouring into the Company's treasury in payment of goods bought at their sales; and although the measure of purchasing bonds, by causing the price of those securities to rise in the market, doubtless checked their being paid in for sales, it yet appears to the Court to be such a voluntary application of the Company's funds to the reduction of bond debt, as to require the approbation of the Board. Their approbation was requested in my letter of 31st January 1818, and was delayed, the bonds not having been cancelled, in consequence of the understanding then entertained that the bonds bought up and received for goods purchased at the sales might be re-issued; but it being now understood that such re-issue is illegal, these bonds have been cancelled. The Court therefore have now to repeat their request for the Board's approbation to apply 232,500*l.* from the Company's surplus profits to the discharge of the said sum of 232,500*l.* bonds, bought up in the years 1814-15 and 1815-16.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 3d March 1827.

Sir,

I AM directed by the Commissioners for the Affairs of India to acknowledge the receipt of your letter of 14th September last, transmitting an account of the surplus commercial profits of the Company, prepared in accordance with the opinion of the Company's standing counsel, as it respects the home-bond debt discharged, and requesting the sanction of the Board to the appropriation of a sum of 232,500*l.* of those profits to the discharge of bonds to that amount bought up by the Court in the years 1814-15 and 1815-16, which have now been cancelled.

Under the circumstances stated in the correspondence which has taken place upon the subject, the Board will not object to give the sanction requested.

In respect to the sum of 1,899*l.* paid off in consequence of the proprietors refusing to accept the reduced rate of interest, which amount the Court consider to have been virtually paid off with the sanction of the Board, as they were regularly informed of the Court's intention to effect the reduction and expressed their acquiescence, I am directed to observe, that although the Board are not aware that such communications have passed, they have no objection now to approve of the appropriation of the requisite sum from the surplus profits of the Company for that purpose.

I have, &c.
(signed) *Thomas P. Courtenay.*

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

LETTER from *Joseph Dart*, Esq. to *Thomas Peregrine Courtenay*, Esq.; dated East India House, 5th October 1826.

Sir,

I HAVE received the commands of the Court of Directors of the East India Company to acquaint you, for the information of the Right honourable the Board of Commissioners for the Affairs of India, that bills of exchange, amounting to 81,197*l.* 13*s.* 3*d.* are advised as having been drawn on the Court in liquidation of India debt.

The Court, therefore, request the sanction of the Board to the appropriation of a part of the surplus home profits of the Company in payment of the said bills, agreeably to the Act of the 53 Geo. 3, c. 155, s. 57.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 11th October 1826.

Sir,

IN reference to your letter of the 5th instant, I am directed by the Commissioners for the Affairs of India to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of the bills of exchange drawn from Bengal, therein mentioned.

I have, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 26th October 1826.

Sir,

IN reference to my communication of the 5th instant upon the subject of bills of exchange advised and drawn from Fort William, on account of principal of septennial loan obligations, I have received the commands of the Court of Directors of the East India Company to acquaint you that two bills, Nos. 1 & 2, have also been advised and drawn for 3,825*l.* in satisfaction of the principal of two promissory notes of the septennial loans.

The Court, therefore, request the sanction of the Board of Commissioners for the Affairs of India to the appropriation of a portion of the surplus home profits of the Company in payment of the said bills.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 7th November 1826.

Sir,

IN reference to your letter of the 26th ultimo, I am directed by the Commissioners for the Affairs of India to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of the bills of exchange drawn from Bengal, therein mentioned, amounting to 3,825*l.*

I have, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart* Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 18th November 1826.

Sir,

IN reference to my letters of the 5th and 26th ultimo, I am commanded by the Court of Directors of the East India Company to acquaint you that a bill of exchange, No. 48, for (505*l.*) five hundred and five pounds, has been advised and drawn from Fort William, in satisfaction of one-fifth instalment of the principal of septennial loan obligations, at eighteen months after date; and that a bill has also been drawn from Fort William, No. 1, for (125*l.*) one hundred and twenty-five pounds, in satisfaction of promissory notes, granted on account of the principal of eight per cent. loans, at 12 months after sight; and I am to request that you will submit these circumstances to the Board of Commissioners for the Affairs of India, with the Court's request that they will be pleased to sanction the appropriation of a portion of the surplus home profits of the Company to the payment of the said bills.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 20th November 1826.

Sir,

IN reference to your letter of the 18th instant, I am directed by the Commissioners for the Affairs of India, to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company, to the payment of the bills of exchange drawn from Bengal, therein mentioned, amounting to 630 *l.*

I have, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 24th March 1827.

Sir,

I AM commanded by the Court of Directors of the East India Company to state to you, for the information of the Board of Commissioners for the Affairs of India, that a bill of exchange for the further sum of 350 *l.* has been advised and drawn from Fort William, in satisfaction of one-fifth instalment of the principal of septennial loan obligations, at 18 months after date; and I am to signify the Court's request that the Board will be pleased to sanction the appropriation of a portion of the surplus home profits in payment of the said bill.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 28th March 1827.

Sir,

IN reference to your letter of the 24th instant, I am directed by the Commissioners for the Affairs of India to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of a bill of exchange drawn from Bengal, therein mentioned, amounting to 350 *l.*

I have, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 8th June 1827.

Sir,

I AM commanded by the Court of Directors of the East India Company to acquaint you that a further bill of exchange, No. 1, for (50 *l.*) fifty pounds has been advised and drawn from Fort William, in satisfaction of the first and second instalments of one-fifth of the principal of septennial loan obligations, payable at 18 months after date; and to request that you will obtain the sanction of the Board of Commissioners for the Affairs of India for the appropriation of a portion of the surplus home profits in payment thereof.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Thomas P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 9th June 1827.

Sir,

IN reference to your letter of the 8th instant, I am directed by the Commissioners for the Affairs of India to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of a bill of exchange drawn from Bengal, therein mentioned, amounting to 50 *l.*

I have, &c.
(signed) *Thomas P. Courtenay.*

LETTER from *Peter Auber*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 10th August 1827.

Sir,

I AM commanded by the Court of Directors of the East India Company, to acquaint you, for the information of the Right honourable the Board of Commissioners for the Affairs of India, that bills of exchange (numbered 2 to 44) have been advised and drawn for the further sum of (63,227 *l.* 10 *s.*,) sixty-three thousand two hundred and twenty-seven pounds ten

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

ten shillings, in satisfaction of the first and second instalments of one-fifth of the principal of septennial loan obligations, at 18 months after date; and the Court direct me to request that the Board will be pleased to sanction the appropriation of a portion of the surplus home profits in payment thereof.

I have, &c.
(signed) *Peter Auber*, Assistant Secretary.

LETTER from *T. P. Courtenay*, Esq. to *J. Dart*, Esq.; dated India Board, 13th August 1827.

Sir,

IN reference to Mr. Auber's letter of the 10th instant, I am directed by the Commissioners for the Affairs of India, to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of the bills of exchange drawn from Bengal, therein mentioned, amounting to 63,227 *l.* 10 *s.*

I have, &c.
(signed) *T. P. Courtenay.*

LETTER from *J. Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 21st September 1827.

Sir,

I AM commanded by the Court of Directors of the East India Company to acquaint you, for the information of the Right honourable the Board of Commissioners for the Affairs of India, that bills, numbered 45 to 54, amounting to 18,837 *l.* 16 *s.* 7 *d.*, have been advised and drawn in satisfaction of the first and second instalments of one-fifth of the principal of septennial loan obligations, at 18 months after date; and I am to request that you will move the Board to sanction the appropriation of a portion of the surplus home profits in payment thereof.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *T. P. Courtenay*, Esq. to *J. Dart*, Esq.; dated India Board, 26th September 1827.

Sir,

IN reference to your letter of the 21st instant, I am directed by the Commissioners for the Affairs of India to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of the bills of exchange drawn from Bengal, therein mentioned, amounting to 18,837 *l.* 16 *s.* 7 *d.*

I have, &c.
(signed) *T. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *George Bankes*, Esq.; dated East India House, 23d August 1828.

Sir,

I AM commanded by the Court of Directors of the East India Company to acquaint you, that bills of exchange, amounting to 61,034 *l.* 3 *s.* 4 *d.*, are advised to have been drawn on the Court from Fort William, in satisfaction of the third instalment of one-fifth of the principal of septennial loan obligations, at 18 months after date; and I am directed to signify the request of the Court, with reference to the 57th section of the Act 53 Geo. 3, c. 155, that the Board of Commissioners for the Affairs of India will be pleased to sanction the appropriation of a portion of the surplus home profits to the payment of these bills.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *George Bankes*, Esq. to *Joseph Dart*, Esq.; dated India Board, 16th September 1828.

Sir,

IN reference to your letter of the 23d ult. I am directed by the Commissioners for the Affairs of India to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of the bills of exchange drawn from Bengal, therein mentioned, amounting to 61,034 *l.* 3 *s.* 4 *d.*

I have, &c.
(signed) *Geo. Bankes.*

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

LETTER from *Joseph Dart*, Esq. to *Geo. Bankes*, Esq.; dated East India House, 14th November 1828.

Sir,

I AM commanded by the Court of Directors of the East India Company to acquaint you, for the information of the Board of Commissioners for the Affairs of India, that bills of exchange have been drawn from India to the amount of 14,743 *l.* 19 *s.* 9 *d.* in discharge of the third instalment of the principal of septennial loan obligations, payable 18 months after date.

Adverting to the present amount of the unappropriated commercial profits of the Company, (viz. 1,898,448 *l.*) the Court propose that the bills above mentioned shall be paid from that source, and they accordingly request the Board's sanction for that purpose, as on former occasions, agreeable to the 57th section of the Act 53 Geo. 3.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *Geo. Bankes*, Esq. to *Joseph Dart*, Esq.; dated India Board, 25th November 1828.

Sir,

IN reference to your letter of the 14th instant, I am directed by the Commissioners for the Affairs of India to convey to you the sanction of the Board to the appropriation of a portion of the surplus home profits of the East India Company to the payment of the bills of exchange drawn from Bengal, therein mentioned, amounting to 14,743 *l.* 19 *s.* 9 *d.*

I have, &c.
(signed) *Geo. Bankes.*

LETTER from *Thomas Hyde Villiers*, Esq. to *Peter Auber*, Esq.; dated India Board, 13th June 1831.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will move the Court of Directors to furnish the Board, at their earliest convenience, with a continuation, up to the latest period to which the same can be made up, of the account of the surplus commercial profits of the Company, &c. transmitted with your letter of 8th July 1830.

I have, &c.
(signed) *T. H. Villiers.*

LETTER from *Peter Auber*, Esq. to *Thomas Hyde Villiers*, Esq.; dated East India House, 1st December 1831.

Sir,

I AM commanded by the Court of Directors to transmit, for the information of the Commissioners for the Affairs of India, the accompanying Account of surplus Commercial Profits of the East India Company, &c., agreeably to the request contained in your letter of the 13th June last.

Vide Appendix 11, in Appendix No. 19.

I have, &c.
(signed) *Peter Auber*, Secretary.

APPENDIX to Correspondence, &c. relating to the Appropriation of the Surplus Commercial Profits of the East India Company.

(Appendix 1, in No. 19.)

AN ACCOUNT of the Profit or Loss on all Goods sold in *England* by the East India Company in the Year 1814–15, distinguishing *India* and *China*; together with all other Commercial Profits accrued in *England* in the same period; also showing the Surplus remaining after providing for Payment of the Dividends on the Capital Stock, and the Interest on the Home-bond Debt.

—	Prime Cost of Investment.	Customs.	Freight.	Charges of Merchandize calculated at 5 per cent. on Sale Amount of Goods.	Total Cost and Charges.	Amount of Sale of Goods.	Profit on the Trade.
	£.	£.	£.	£.	£.	£.	£.
India - - -	1,186,693	53,680	304,565	110,170	1,655,108	2,203,398	548,290
China - - -	2,082,171	5,528	915,050	241,139	3,243,888	4,822,792	1,578,904
Total - -	3,268,864	59,208	1,219,615	351,309	4,898,996	7,026,190	2,127,194

	£.		£.
India Profit, brought down -	548,290	China Profit, brought down - -	1,578,904
Deduct 4 per cent. charged as an insurance on the prime cost of the investment, to cover losses at sea - - - - -	47,467	Deduct difference in the rate at which bills of exchange, drawn on the Company from China, were paid in England, and the rate of the Tale assumed in the above calculation - - -	13,260
£.	500,823	£.	1,565,644
Deduct also losses on saltpetre delivered to the Board of Ordnance	1,296	Deduct also 4 per cent. charged as an insurance on the prime cost of the investment, to cover losses at sea - - - - -	83,286
	499,527	£.	1,482,358

		£.
India Profit as above on Sales - - - - - - - - - -		499,527
China - - ditto - - - - - - - - - - -		1,482,358
		1,981,885
Deduct surplus Commercial Charges on Merchandize beyond 5 per cent. charged upon the Sales - - - - - - - -		108,487
		1,873,398
Other Commercial Receipts and Profits:		
Interest on the annuities - - - - - - - -	£. 32,604	
Charges on private trade - - - - - - - -	220,668	
		253,272
		2,126,670
Deduct Payments to be be made thereout:		
Dividends on stock - - - - - - - -	630,000	
Interest on bonds - - - - - - - -	259,545	
		889,545
Surplus remaining - - - £.		1,237,125

(Errors excepted.)

East India House,
23 January 1818.

(signed) *Charles Cartwright*,
Acc^t Genl.

(Appendix 2, in No. 19.)

AN ACCOUNT of the PROFIT or LOSS on all GOODS sold in *England* by the EAST INDIA COMPANY in the Year 1815–16, distinguishing *India* and *China*; together with all other Commercial Profits accrued in *England* in the same period; also showing the SURPLUS remaining after providing for Payment of the Dividends on the Capital Stock, and the Interest on the Home-bond Debt.

	Prime Cost of Investment.	Customs.	Freight.	Charges of Merchandize calculated at 5 per cent. on Sale Amount of Goods.	Total Cost and Charges.	Amount of Sale of Goods.	Profit on the Trade.
	£.	£.	£.	£.	£.	£.	£.
India - - -	1,039,236	52,588	331,436	89,820	1,513,080	1,796,371	283,291
China - - -	1,808,356	1,905	776,420	189,699	2,776,380	3,793,992	1,017,612
TOTAL - - £.	2,847,592	54,493	1,107,856	279,519	4,289,460	5,590,363	1,300,903

		£.
India Profit, brought down - -		283,291
Deduct loss on goods re-sold -		7,937
		275,354
Add profit on saltpetre delivered to the Board of Ordnance -		11,752
£.		287,106
Deduct 4 per cent. on the prime cost of the investment, charged as an insurance to cover losses at sea - - - - -		41,569
£.		245,537

		£.
China Profit, brought down - -		1,017,612
Deduct difference in the rate at which bills of exchange, drawn on the Company from China, were paid, and the rate assumed in the calculation of profit and loss - - - £.	35,999	
China Embassy -	51,904	87,903
£.		929,709
Deduct also 4 per cent. on prime cost of the investment, charged as an assurance to cover losses at sea - - - - -		72,334
£.		857,375

		£.
India Profit, as above, on Sales - - - - - - - - -		245,537
China - - ditto - - - - - - - - - - -		857,375
		1,102,912
Deduct surplus Commercial Charges on Merchandize beyond the rate of 5 per cent. charged above on Sales - - -		86,424
		1,016,488
Other Commercial Receipts and Profits:		
Interest on the annuities - - - - - - -	£. 32,604	
Charges on private trade - - - - - - -	206,938	
Interest and discounts on anticipated payments - -	99,098	
Interest on balance due from the Territorial Branch at the close of 1814–15, not invested for consignment to England conformably to the provisions of the Act 53 Geo. 3 -	42,693	
		381,333
		1,397,821
Deduct Payments to be made thereout:		
Dividends on stock - - - -	630,000	
Interest on bonds - - - -	235,967	
		865,967
SURPLUS remaining - - - £.		531,854

(Errors excepted.)

East India House,
23 January 1818.

(signed) *Charles Cartwright*,
Acc^t Genl.

(Appendix 3, in No. 19.)

AN ACCOUNT of the PROFIT or LOSS on all GOODS sold in *England* by the EAST INDIA COMPANY in the Year 1816–17, distinguishing *India* and *China*; together with all other Commercial Profits accrued in *England* in the same period; also showing the SURPLUS remaining after providing for Payment of the Dividends on the Capital Stock and the Interest on the Home-bond Debt.

	Prime Cost of Investment.	Customs.	Freight.	Charges of Merchandize, calculated at 5 per cent. on Sale Amount of Goods.	Total Cost and Charges.	Amount of Sale of Goods.	Profit on the Trade.
	£.	£.	£.	£.	£.	£.	£.
India - - -	1,212,808	58,617	341,698	90,824	1,703,947	1,816,465	112,518
China - - -	1,618,628	6,772	628,344	169,770	2,423,514	3,395,422	971,908
TOTAL. - - £.	2,831,436	65,389	970,042	260,594	4,127,461	5,211,887	1,084,426

	£.		£.
India Profit, brought down - -	112,518	China Profit, brought down - -	971,908
Deduct, loss on re-sold goods -	3,990	Deduct, difference in the amount paid for discharge of bills drawn on the Court from China, beyond the rate of the Tale assumed in the above calculation £. 40,466	
	108,528	Paid on account of the China Embassy - - 2,255	
Deduct also loss on saltpetre delivered to the Board of Ordnance	1,250		42,721
	107,278		929,187
Deduct further, 4 per cent. charged on the prime cost of the investment, as an insurance to cover losses at sea - - - -	48,512	Deduct further, 4 per cent. charged on the prime cost of the investment, as an insurance to cover losses at sea - - - -	64,745
£.	58,766	£.	864,442

		£.
India Profit, as above, on Sales - - - - - - - -		58,766
China - - ditto - - - - - - - - - - -		864,442
		923,208
Deduct surplus Commercial Charges on Merchandize beyond the rate of 5 per cent. charged above on Sales - - -		189,901
		733,307
Other Commercial Receipts and Profits:	£.	
Interest on the annuities - - - - - - -	36,226	
Charges on private trade - - - - - - -	210,218	
Interest and discounts on anticipated payments - -	44,295	
Interest on balance due from the Territorial Branch at the close of 1815–16, not invested for consignment to England conformably to the provisions of the Act 53 Geo. 3.	46,543	
		337,282
		1,070,589
Deduct Payments to be made thereout:		
Dividends on stock - - - - - -	630,000	
Interest on bonds - - - - - -	230,536	
		860,536
SURPLUS remaining - - - £.		210,053

(Errors excepted.)

East India House,
23 January 1818.

(signed) *Charles Cartwright*,
Acc^t Genl.

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

(Appendix 4, in No. 19.)

AMOUNT appropriated of SURPLUS PROFITS accrued in *England*, from 1st May 1814 to 30th April 1817, distinguishing each Year; showing also the Sum remaining to be appropriated.

	Indian Debt.	Home-Bond Debt.	TOTAL.
	£.	£.	£.
1814-15 - - - - - - - -	387,049	209,500	596,549
1815 16 - - - - - - - -	326,545	413,000	739,545
1816-17 - - - - - - - -	4,654	5,800	10,454
£.	718,248	628,300	1,346,548

PROFIT ON SALES.

	£.	£.
1814-15 - - - - - - - - - - -	1,237,125	
1815-16 - - - - - - - - - - -	531,854	
1816-17 - - - - - - - - - - -	210,053	
	1,979,032	
Appropriated as above - - - - - - -	1,346,548	
Sum remaining to be appropriated - - - - -		632,484

(Errors excepted.)

East India House, 23 January 1818.

(signed) *Charles Cartwright*, Acc[t] Gen[l].

(Appendix 5 (1), in No. 19.) - - - - - - -

TERRITORIAL BRANCH in Account with the COMMERCIAL, in respect to Bills of Exchange

Dr.

		£.	s.	d.
1815: 30 April	TO Amount of Payments actually made on this account in 1814–15 -	834,323	4	8
	To Balance, being the excess of Territorial Remittances realized in the current year, above the amount of bills for interest of Indian Debts, discharged in the same period, transferred to the credit of the Account with the Territorial Branch, No. 2 - - - - - - - -	95,098	9	-
	£.	929,421	13	8
1816: 30 April	To Amount of Payments actually made on this account in 1815–16, including 12,275*l.* 14 *s.* for interest, included in bills drawn on the Court for Java Prize Property - - - - - - - - - -	392,919	14	7
	To Balance transferred to credit of Account, No. 2, with the Territorial Branch, as before - - - - - - - - - - -	35,047	18	3
	£.	427,967	12	10
1817: 30 April	To Amount of Payments actually made on this account in 1816–17 -	269,760	9	1
	To Balance transferred to credit of Account, No. 2, with the Territorial Branch, as before - - - - - - - - - - -	447,865	3	6
	£.	717,625	12	7

- - - - - - - (Appendix 5 (1), in No. 19.)

drawn from *India* on Account Interest of India Debts, 1st May 1814 to 30th April 1817.

Cr.

1815: 30 April	BY Amount of Remittances realized in 1814–15, to meet the Payments made per contra, viz.:									
	Received for bills drawn in the Company's favour in various departments of Government, and on individuals, for supplies furnished from the Territorial Funds in India - - - - - -				£.	s.	d.	£.	s.	d.
					142,755	17	2			
	For bills drawn by the Court on India - -				7,891	5	10			
	Of Government, on further account of the Company's claims on the Public, including Pay-office demands, &c. passed to their credit -				542,534	11	10			
	Net produce of bullion remitted from Fort St. George - - - - - - - - -				324,015	–	10			
				£.	1,017,196	15	8			
	Deduct, paid sundry bills drawn on account remittance of property of deceased officers, &c. -	£. 13,135	s. 17	d. 8						
	Disbursements in England and China on account of the Public, included in payments from Government - - - -	74,639	4	4						
					87,775	2	–	929,421	13	8
1816: 30 April	By Amount of Remittances realized in 1815–16, to meet the Payments made per contra:									
	Received, for bills drawn in the Company's favour, as before - - - - - - - - -				157,351	13	11			
	Of Government, Pay-office demands passed to their credit in account - - - - -	331,687	–	–						
	Sale of spices from the Moluccas	115,400	–	–						
					447,087	–	–			
				£.	604,438	13	11			
	Deduct, paid sundry bills drawn on account remittance of property of deceased officers, &c. -	14,075	2	4						
	Disbursements in England, as before, on account Government -	162,395	18	9						
					176,471	1	1	427,967	12	10
1817: 30 April	By Amount of Remittances realized in 1816–17, to meet the Payments made per contra:									
	Receipt from Government in cash - - - - -				387,145	6	9			
	Ditto - by Pay-office demands passed to their credit -				249,118	–	–			
	Ditto - by sale of spices from the Moluccas - ditto -				30,197	–	–			
				£.	666,460	6	9			
	For bills drawn in the Company's favour, as before -				124,001	6	–			
				£.	790,461	12	9			
	Deduct, paid sundry bills drawn on account remittance of deceased officer's property - - -	4,259	12	10						
	Disbursements in England as before, on account Government -	68,576	7	4						
					72,836	–	2	717,625	12	7

(Appendix 5 (2), in No. 19.) - - - - - - -

TERRITORIAL BRANCH in Account with the COMMERCIAL, in respect to Payments of a Political which the Commercial Branch has a Claim to be repaid

Dr.

		£.	s.	d.	£.	s.	d.
1815: 30 April	TO Amount of Territorial Advances and Charges in England, &c. in the year 1814–15:						
	Pay to military and marine officers on furlough and retirement - - - - - - - -	147,609	9	7			
	Interest, sinking fund and charges on loan 2,500,000*l.* from the Public in 1812 - - - - -	244,044	2	2			
	Political freight and demorage, exclusive of amount charged on political exports - - - - -	51,081	9	4			
	Passage of military, and sundries for their use on the voyage - - - - - - - -	79,101	4	7			
	Charges on account of St. Helena, including supplies furnished from China and the Cape - - -	148,679	1	11			
	Charges on account of Prince of Wales Island -	21,704	2	7			
	- - Ditto - - - Bencoolen - - -	8,502	5	4			
	Political charges general, including interest paid on India debt bills postponed - - - - -	256,512	9	2			
	Demands of Pay-office-general, on account of King's troops serving in India - - - - - -	284,790	–	–			
	Expense survey of the China seas, &c. paid at Canton - - - - - - - - - -	15,712	9	–			
	Military, marine and other territorial stores exported from 1st May 1814 to 30th April 1815 - -	405,237	11	2			
	- - Ditto - - cast-iron bridge, &c. for Nabob of Oude - - - - - - - - - -	5,744	2	9			
	Payments on account of the Carnatic Fund - -	180,930	7	2			
	- - - Ditto - - off-reckoning funds -	135,692	2	7			
	- - - Ditto - - several public institutions, and to individuals, repayable in India - -	30,392	3	4			
	Sundry advances on loan, &c. repayable in England	14,293	12	–			
				£.	2,030,026	12	8
1815: 1 May	To Balance brought forward - - - - - -	-	-	-	711,560	7	9
1816: 30 April	To one year's interest at 6 per cent. per annum, on above balance - - - - - - - -	-	-	-	42,693	–	–
	To Amount of Territorial Advances and Charges, in England, &c. in the year 1815–16:						
	Pay to military and marine officers, &c. - -	150,691	–	–			
	Interest, sinking fund, &c. - - - - - -	243,988	–	–			
	Political freight and demorage, exclusive of amount charged on political exports - - - -	145,080	–	–			
	Passage of military, and supplies to them on the voyage - - - - - - - - -	58,976	–	–			
	Charges, St. Helena, including supplies furnished from China and the Cape - - - -	180,344	–	–			
	Charges on account of Prince of Wales Island -	—					
	- - - Ditto - - Bencoolen - - -	8,060	–	–			
	Political charges general, including interest paid on Indian debt bills postponed - - - -	267,164	–	–			
	Demands of the Pay-office - - - - - -	331,687	–	–			
	Expense survey of the China seas, &c. paid at Canton	9,284	–	–			
	Military, marine and other territorial stores exported from 1st May 1815 to 30th April 1816 - -	341,817	–	–			
	Cast-iron bridge, &c. for the Nabob of Oude, including freight - - - - - - - -	17,545	–	–			
	Payments on account of the Carnatic Fund - -	137,408	–	–			
	- - - Ditto - - off-reckoning funds - -	54,451	–	–			
	- - - Ditto - - several public institutions, &c. as before - - - - - - - -	34,174	–	–			
					1,980,669	–	–
				£.	2,734,922	7	9

- - - - - - - (Appendix 5 (2), in No. 19.)

Nature, made from the Commercial Funds in *England, China* and the *Cape,* for the Amount of by Advances for Investment in *India* or *China.*

Cr.

1815: 30 April	BY Balance transferred from Account, No. 1, being the excess of Territorial Remittances in 1814–15 above amount of payments for bills drawn for interest on Indian debt - - - - - - - -				£.	s.	d.
					95,098	9	–
		£.	s.	d.			
	By net advances to Commercial Department, Bengal -	868,896	3	8			
	- - - Ditto - - - ditto - - - Madras -	253,067	–	8			
	- - - Ditto - - - ditto - - - Bombay	66,125	11	7			
	Invoice amount of cargoes shipped from Bencoolen for England, exclusive of any charge for the expenses of the settlement, the point being at present under reference to the Board of Commissioners for the Affairs of India, as to the proportion in which the said expenses are to be borne by the Territorial and Commercial Branches of the Company's affairs - - - - - - -	35,279	–	–			
					1,223,367	15	11
					1,318,466	4	11
	By Balance due to Commercial Branch under this head	-	-	-	711,560	7	9
				£.	2,030,026	12	8
1816: 30 April	By Balance transferred from Account, No. 1, being the excess of Territorial Remittances in 1815–16 above amount of payments for interest bills - -	-	-	-	35,047	18	3
	By amount net advances to the Commercial Department in the current year, Bengal - - - - -	1,196,996	–	–			
	- - - - Ditto - - - Madras - - -	394,823	–	–			
	- - - - Ditto - - - Bombay - - -	249,903	–	–			
	Marine stores debited to the Territorial Account, per contra, given credit for in Commercial Department at Bengal - - - £. 19,465						
	Stationery - - ditto - - at Fort St. George 7,636	27,101	–	–			
	By invoice amount of cargoes from Bencoolen, as before, and amount advanced there to owners of Europe ships - - - - - - - - - - -	55,330	–	–			
					1,924,153	–	–
					1,959,200	18	3
	By Balance due to Commercial Branch under this head	-	-	-	775,721	9	6
				£.	2,734,922	7	9

(*continued*)

Appendix 5 (2.)—Territorial Branch in Account with the Commercial, &c.—*continued.*

Dr.

			£.	s.	d.
1816: 1 May	TO Balance brought forward - - - - - - - - -		775,721	9	6
1817: 30 April	To one year's interest, at 6 per cent. per annum, on above balance -		46,543	-	-
	To Amount of Territorial Advances and Charges in England, &c. in the Year 1816–17:				
	Invoice amount of military, marine and other territorial stores exported, 1st May 1816 to 30th April 1817 - - - - - - - - - -	£. s. d. 585,530 - -			
	Officers' pay - - - - - - - - -	208,226 - -			
	Carnatic debts - - - - - - - -	194,089 - -			
	Interest, sinking fund, &c. on loan - - - - -	243,922 - -			
	St. Helena, (exclusive of exports) - - - - -	54,854 - -			
	Bencoolen bills, &c. - - - - - - -	434 - -			
	Political charges general - - - - - -	289,454 - -			
	Political freight and demorage, exclusive of amount charged on exports - - - - - - -	59,945 - -			
	Passage military - - - - - - - -	51,814 - -			
	Pay-office demands and recruiting charges (estimated)	249,118 - -			
	Consignments to St. Helena from India and China -	13,113 - -			
	Survey of the China seas, paid at Canton - -	21,135 - -			
	Territorial advances at the Cape, *R.Ds.* 232,870, at 1 *s.* 10 $\frac{64}{00}$ *d.* - - - - - - - -	21,967 - -			
			1,993,601	-	-
		£.	2,815,865	9	6

East India House,
5th August 1818.

Cr.

		£.	s.	d.
1817: 30 April	BY Balance transferred from Account, No. 1, being the excess of Territorial Remittances in 1816–17, above amount of payments for Interest bills - - - - - - - - - - - - - -	447,865	3	6
	By Balance due to Commercial Branch under this head - - -	*2,368,000	6	–
£.		2,815,865	9	6

* *Mem.*—This Balance is subject to reduction by the amount of the Advances in India from the Territorial Branch to the Commercial Branch, in the Indian official year 1816-17.

(Errors excepted.)

Chas. Cartwright,
Acco^t Genl.

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

(Appendix 6, in No. 19.)

SPECIFICATION of the SUMS applied by the Court of Directors in *England* to the Discharge of Principal of INDIA DEBT, from 1st May 1814 to 30th April 1817; showing the Description of the Notes and Obligations thus paid off.

	£.	s.	d.	£.	s.	d.
1814–15.						
PAID Bills of Exchange, drawn on the Court of Directors:						
From BENGAL:						
On account Six per cent. loan obligations, dated 30th June 1811 - - - - -	118,830	–	–			
– Eight per cent. promissory notes, various dates - - - - - - -	6,747	10	–			
– Decennial loan obligations of 1st January 1803 - - - - - - -	1,000	–	–			
– Treasury notes, issued under Resolution of Governor-general in Council, of 15th July 1813 - - - - -	57,646	4	5			
				184,223	14	5
From MADRAS:						
On account Eight per cent. promissory notes - -	9,751	13	10			
– Second eight per cent. loan ditto - -	2,425	–	–			
– Third eight per cent. ditto - - -	425	–	–			
– Principal of second 10 per cent ditto, of 1805–6 - - - - - -	1,487	9	11			
				14,089	3	9
From BOMBAY:						
On account eight per cent. promissory notes - - - - -				22,787	10	–
£.				221,100	8	2
Payment made in advance, on account of promissory notes issued by the Bengal Government to the Prize Agents for the Captors of Java, bearing interest at Calcutta - - - - - - -				166,250	–	–
£.				387,350	8	2
1815–16.						
Paid Bills of Exchange drawn on the Court:						
From BENGAL:						
On account six per cent. loan obligations, dated 30th June 1811 -				238,998	6	8
Balance of bills drawn from Bengal, on account the promissory notes issued to the Prize Agents for the Captors of Java, after deducting the advance made on this account in the preceding year; as also the amount included in the bills for interest - - - - -				87,546	6	10
£.				326,544	13	6
1816–17.						
Paid Bills of Exchange drawn on the Court:						
From BENGAL:						
On account Treasury notes, issued under Resolution of Governor-General in Council of 15th July 1813 - - - - - - -				3,934	3	7
From MADRAS:						
On account second 10 per cent. loan promissory notes, of 1805–6 -				476	17	6
£.				4,411	1	1

Memorandum.—The above totals differ from the sums inserted in the Annual Accounts of Receipts and Payments under the like heads, in consequence of some of the bills from India having been drawn including both principal and interest. The payments have been correctly adjusted to their several heads, from materials received since the periods of making up the respective Annual Accounts.

(Errors excepted.)

East India House, 5 August 1818.

(signed) *C. Cartwright*, Acct Genl.

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

(Appendix 7, in No. 19.)

SPECIFICATION of the SUMS appropriated in the Years 1814–15, 1815–16 and 1816–17, to the Reduction of the HOME-BOND DEBT.

	Bonds Paid in on Sales	Bonds Paid off.	Bonds. Bought up.	TOTAL.
	£.	£.	£.	£.
1814–15 - - - -	13,300	100,000	96,200	209,500
1815–16 - - - -	276,700	- - -	136,300	413,000
1816–17 - - - -	5,800	- - -	- - -	5,800
	295,800	100,000	232,500	628,300

The Bonds paid in on Sales and bought up, as expressed in the above Statement, have not been cancelled, but are held to be re-issuable.

The Bonds stated to be paid off, *have been cancelled.*

(Errors excepted.)

East India House, 5 August 1818. (signed) *Charles Cartwright*, Acct Genl.

(Appendix 8, in No. 19.)

A SPECIFICATION of the Particulars of the Payments on account of CHARGES of MERCHANDIZE, from 1st May 1814 to 1st May 1815.

	£.	s.	d.
Tradesmen's bills for expenses of the East India House, repairs, taxes, coals, candles, &c. (one half) - - - - - - -	17,360	16	6
Law charges, incurred in respect to commercial matters - - -	1,917	2	2
Commercial annuities and pensions - - - - - - - -	10,142	11	–
Directors' gratuities (one half) - - - - - - - -	4,341	15	7
Proportion of salaries and allowances to officers of the house and warehouses, chargeable to the Commercial Branch, according to the principle established for each office in the plan of accounts approved by the Board of Commissioners - - - - - -	60,922	18	8½
Subscriptions to charities, and on public occasions (one half) - -	431	–	–
Extra clerks (one third) - - - - - - - - -	6,110	6	3
East India College, chargeable to the Commercial Branch in the proportion that the number of servants abroad employed in that branch bears to the whole number of servants in the India and China establishments - - - - - - - - - - -	1,279	–	–
Expresses and ships' packets - - - - - - - - -	724	11	5
Outfit of Company's sloops - - - - - - - - -	4,073	15	3
Books, maps, prints, charts, &c. (one half) - - - - - -	996	7	1
Advances on account of Organzine silk and other goods - -	15,879	4	11
Building and repairs of Company's hoys - - - - - - -	3,527	10	8
Royal East India Volunteer regiments (one half) - - - - -	5,819	3	2
Supercargoes commission - - - - - - - - -	84,113	15	3
Fees to King's officers, and expense of entries at Custom-house -	3,059	13	5
Tradesmen's bills for the warehouses - - - - - - -	43,928	3	7
Rents, wharfage, &c. landing goods - - - - - - -	6,499	12	8
Examining surgeons and surgeons' mates (one half) - - - -	105	–	–
Stamps, including stamps for transfers - - - - - - -	465	11	2
Convoying Company's ships - - - - - - - - -	3,045	–	–
Labourers' wages - - - - - - - - - - -	170,415	9	9
Cartage - - - - - - - - - - - -	10,408	18	11½
Taxes for the warehouses - - - - - - - - -	11,531	6	10
Pensions paid to labourers by warehouse-keepers - - - - -	4,782	9	–
Hoyage and lighterage - - - - - - - - - -	5,294	12	2
Carried forward - - - £.	477,175	15	6

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

	£.	s.	d.
Brought forward - - -	477,175	15	6
Inspectors, surveyors of shipping, &c. &c. - - - -	10,404	1	–
Sundry miscellaneous disbursements of officers of the house and warehouse-keepers, of a commercial nature - - - -	2,949	4	3
Making up deficiencies of Labourer's Fund - - - - -	2,648	15	11 ½
Journies of Directors, visiting ships, &c. - - - - - -	414	10	6
Gratuities to sundry persons for present relief - - - -	77	19	9
Gratuities to sundry persons for commercial services, sums not exceeding 600 *l.* each - - - - - - - - - -	1,029	5	6
Gratuities to officers and seamen of Company's ships, for their conduct when attacked by an enemy - - - - - - -	301	19	6
Stationery, for home consumption (one half) - - - - -	3,741	15	10
Building and repairs to caravans - - - - - - -	2,378	11	5
Interest on loans - - - - - - - - - -	26,807	12	6
Printing tea-brokers' books - - - - - - -	1,300	–	–
Disbursements agents at out-ports - - - - - - -	1,248	17	3
Protection to seamen - - - - - - - - -	30	13	6
East India Dock Company - - - - - - - -	8,380	6	5
Purchase of dollars to replace those stolen from Captain Hughes, of the Bridgewater - - - - - - - - - -	256	17	2
London Dock Company - - - - - - - -	1,173	8	3
Passage to India and China of commercial servants - - - -	205	–	–
Expenses on account of shipment of bullion - - - - -	24	16	6
	540,549	10	9 ½

RECEIPTS:	£.	s.	d.			
Old goods sold - - - - - - - -	4,066	13	7			
Warehouse rent - - - - - - - -	55,287	2	3 ¼			
Interest 3 per cent. Bank reduced annuities - -	207	4	8			
Porcher & Co., for twine supplied to the Lowjee family	78	6	8			
Discount on bonds bought up, deducting commission	10	–	–			
Greenwich Hospital - - - - - - -	9	19	9			
Impress received from sureties of run-men - -	750	13	1			
Charges on goods not brouhgt to sale - - - -	717	3	9			
Charges on the baggage of passengers - - -	1,592	10	–			
Buildings - - - - - - - - -	2,054	5	5			
Balances in hands of warehouse-keepers and officers of the house, less on the 1st March 1815 than on 1st March 1814 - - - - - - - -	10,838	1	11 ¼			
Warehouse rent, charged proprietors of goods in private trade accounts - - - - - - -	15,347	14	1			
Ship books, &c. charged owners in freight accounts	480	11	11			
				91,440	7	1 ½
Amount of Charges General - - - £.				449,109	3	8
Add, The following sums included in the amount of Commercial Charges General, contained in the account of Receipts and Payments since carried to different heads of expenditure:						
	£.	s.	d.			
Amount paid by the Company's husband and paymaster, on account of outfit of ships, &c., carried to freight and demorage - - - - - - -	14,132	10	1			
Amount paid by the Company's husband, for duties on exports carried to Customs - - - - -	13,003	7	–			
Amount short, carried to the Political Charges General, in the various disbursements of the officers of the house - - - - - - - - -	1,049	17	1			
				28,185	14	2
Amount of Commercial Charges General in Annual Account of Receipts and Payments, from 1st May 1814 to 1st May 1815 - - - - - - - - £.				477,294	17	10

(Errors excepted.)

East India House, 5 August 1818.

(signed) *Charles Cartwright*, Acc^t Genl.

(Appendix 9, in No. 19.)

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

A SPECIFICATION of the Particulars of the Payments on Account of CHARGES of MERCHANDIZE, from 1st May 1815 to 1st May 1816.

	£.	s.	d.
Tradesmen's bills, for the expenses of the East India House, repairs, taxes, coals, candles, &c. (one-half)	13,963	4	4
Law charges, incurred in respect to commercial matters	1,510	10	2
Commercial annuities and pensions	13,678	2	5
Directors' gratuities (one half)	3,761	15	6
Proportion of salaries and allowances to officers of the house and warehouses, chargeable to the Commercial Branch, according to the principle established for each office in the plan of Accounts approved by the Board of Commissioners	77,230	19	–
Royal East India volunteer regiments (one half)	346	7	7
Passage to India and China of commercial servants	40	–	–
Subscriptions to charities, and on public occasions (one half)	3,009	7	6
Extra clerks (one-third)	6,648	10	2
East India College, chargeable to the Commercial Branch, in the proportion that the number of servants abroad employed in that branch, bears to the whole number of servants in the Indian and China establishments	1,944	–	–
Expresses and ship's packets	631	15	6
Adjustment of Indian accounts and payments on account of India	5,038	10	10
Outfit of Company's sloops	5,805	9	4
Books, maps, prints, charts, &c. (one half)	1,487	14	–
Advances on account of Organzine silk and other goods	12,137	1	10
Building and repairs of Company's hoys	3,857	3	6
Supercargoes commission	80,929	15	10
Fees to King's officers and expense of entries at Custom House	2,580	18	8¾
Tradesmen's bills for the warehouses	37,471	1	3
Rents, wharfage, &c., landing goods	4,597	16	4½
Examining surgeons and surgeon's mates (one half)	210	–	–
Stamps, including stamps for transfers	2,079	19	6
Convoying Company's ships	2,730	–	–
Buildings	30,552	11	6
Labourers' wages	173,605	15	7
Cartage	10,961	10	3½
Taxes for the warehouses	11,130	7	11
Pensions paid to labourers by warehouse-keepers	4,527	15	6
Hoyage and lighterage	5,342	–	–
Inspectors, surveyors of shipping, &c. &c.	7,753	1	6
Sundry miscellaneous disbursements of the officers of the house and warehouse-keepers, of a commercial nature	1,720	11	9¼
Making up deficiencies of Labourers' Fund	2,878	7	2
Journies of Directors, visiting ships, &c.	176	11	6
Gratuities to sundry persons for present relief	277	12	–
Gratuities to sundry persons for commercial services, sums not exceeding 600 *l.* each	420	–	–
Gratuities to officers and seamen of Company's ships, for their conduct when attacked by an enemy	181	–	–
Stationery, for home consumption (one half)	4,041	10	–
Buildings and repairs to caravans	3,715	11	7
Printing tea-brokers' books	1,000	–	–
Disbursements of agents at out-ports	1,489	8	–
East India Dock Company	14,911	–	6
Salvage	2,285	4	2
London Dock Company	4,154	17	4
Expenses on account of shipment of bullion	314	13	7
Duty on saltpetre delivered to the Board of Ordnance	477	8	–
Protections to seamen	2	16	6
Carried forward £.	563,609	17	9

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

	£.	s.	d.	£.	s.	d.
Brought forward - - -				563,609	17	9
RECEIPTS.	£.	s.	d.			
Old goods sold - - - - - - - -	2,682	4	8			
Warehouse rent - - - - - - - -	24,500	10	8			
Discount, deducting commission on bonds bought up -	183	11	–			
Charles Cartwright, in trust, to await future disposal -	350	–	–			
Greenwich Hospital - - - - - - - -	9	12	9			
Impress received from sureties of run-men - - -	15	16	3			
Received of owners of ships, for ledgers of wages -	16	2	–			
Charges on the baggage of passengers - - - -	1,403	–	–			
Ship books, &c. charged owners, in freight accounts -	1,830	–	–			
Warehouse rent, charged proprietors of goods in private trade accounts - - - - - - -	43,737	10	4			
Balance in hands of warehouse-keepers and officers of the house, less on the 1st May 1816 than on the 1st May 1815 - - - - - - - -	2,249	10	8			
				76,977	18	4
Amount of Charges Merchandize - - -			£.	486,631	19	5
Deduct,						
Amount paid by Company's husband and paymaster, for outfit of sloops, &c. carried in account of receipts and payments to freight and demorage, but which ought to have remained a charge of merchandize -	1,497	5	6			
Expense of the stationery warehouse, carried in account of receipts and payments to commercial exports, but which has subsequently been carried to the account of the Political Branch - -	491	–	–			
				1,988	5	6
			£.	484,643	13	11
Add,						
The following sums included in the amount of Commercial Charges General, in the account of Receipts and Payments, since carried to different heads of expenditure:						
Amount short, carried to Political Charges General, in the various disbursements of officers of the house	1,679	14	1			
Amount paid on account of the Fee Fund, carried by mistake to Charges General - - - -	700	–	–			
Amount of duty on Exports paid by Company's husband, carried to Customs - - - - -	4	3	–			
				2,383	17	1
Amount of Commercial Charges General in Annual Account of Receipts and Payments, from 1st May 1815 to 1st May 1816 - - - - -			£.	487,027	11	–

(Errors excepted.)

East India House, 5 August 1818.

(signed) *Charles Cartwright*, Acct Genl.

(Appendix 10, in No. 19.)

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

A SPECIFICATION of the Particulars of the Payments on Account of CHARGES of MERCHANDIZE, from 1st May 1816 to 1st May 1817.

	£.	s.	d.
Tradesmen's bills for expenses of the East India House, repairs, taxes, coals, candles, &c. (one half)	15,326	7	–
Law charges, incurred in respect to commercial matters	2,805	12	11
Commercial annuities and pensions	14,311	–	1
Directors' gratuities (one half)	3,836	19	7
Proportion of salaries, &c. allowances to officers of the house and warehouses, chargeable to the Commercial Branch, according to the principle established for each office in the plan of accounts approved by the Board of Commissioners	70,890	8	9
Subscriptions to charities, and on public occasions (one half)	907	13	–
Extra clerks (one third)	6,161	1	10
East India College, chargeable to the Commercial Branch, in the proportion that the number of servants abroad employed in that branch bears to the whole number of servants in the Indian and China establishments	1,458	–	–
Expresses and ship's packets	251	17	2
Adjustment of Indian accounts and payments on account of India	2,099	–	10
Outfit of Company's sloops	2,823	6	6
Books, maps, prints, charts, &c. (one half)	1,390	10	8
Advances on account of the preparation of goods for sale	7,599	10	10
Repairs of Company's hoys	4,284	11	8
Supercargoes commission	91,583	11	10
Fees to King's officers and expenses of entries at the Custom House	2,281	1	9½
Tradesmen's bills for the warehouses	48,525	3	1
Rents, wharfage, &c. &c. and landing goods	5,740	2	7
Examining surgeons and surgeons' mates (one half)	273	–	–
Convoying Company's ships	525	–	–
Buildings	9,783	4	–
Labourers' wages	157,440	–	8½
Cartage	10,780	15	5
Taxes for the warehouses	9,397	2	6½
Pensions paid to labourers by warehouse-keepers	5,228	4	6
Hoyage and lighterage	5,351	3	6
Inspectors, surveyors of shipping, &c. &c.	8,385	12	5½
Sundry miscellaneous disbursements of officers of the house and warehouse-keepers, of a commercial nature	1,350	6	3½
Making up deficiencies of Labourers' Fund	2,220	12	6
Gratuities to sundry persons, for present relief	50	5	–
Gratuities to sundry persons, for commercial services, sums not exceeding 600 *l.* each	1,380	5	–
Gratuities to officers and seamen of Company's ships, for their conduct when attacked by an enemy	120	–	–
Stationery for home consumption (one half)	3,959	12	9
East India Dock Company	19,284	3	5
Building and repairs, &c. to caravans	2,438	17	9
London Dock Company	6,188	4	–
Printing tea-brokers' books	1,000	–	–
Disbursementsof agents at out-ports	940	12	8
China embassy	14	14	–
Expenses on account of shipment of bullion	240	12	–
Unclaimed prize-money, which in former years has been deducted from the payments for Charges of Merchandize, lately agreed to be carried to the account Poplar Contingent Fund	5,574	11	7
Carried forward £.	534,203	–	2½

Appendix, No. 19.

Appropriation of the Surplus Profits of the East India Company.

	£.	s.	d.	£.	s.	d.
Brought forward - - -				534,203	–	2 ¼
RECEIPTS.						
Old goods sold - - - - - - - -	1,891	7	7 ½			
Warehouse rent - - - - - - - -	16,889	11	7 ½			
Royal East India volunteer regiments - - -	257	–	4			
Stamps, including stamps for transfers - - -	818	10	4			
Received of owners of ships, for ledgers of wages -	23	12	6			
Impress received from sureties of run-men - -	17	8	1			
Greenwich Hospital - - - - - -	8	16	–			
Warehouse charges on the baggage of passengers -	1,772	10	–			
Warehouse rent, charged proprietors of goods in private trade accounts - - - - - -	33,406	17	8			
Ship books, &c. charged owners in freight accounts	2,391	–	–			
Balance in hands of warehouse-keepers and officers of the house, less on 1st May 1817 than on 1st May 1816 - - - - - - - - -	1,408	16	4 ¼			
				58,885	10	6 ¼
Amount of Charges of Merchandize - - - £.				475,317	9	8
Deduct,						
The amount deducted from Charges General in account of receipts and payments, for adjustments of former years - - - - - -	29,241	17	1			
Amount paid by the Company's husband and paymaster, for outfit of sloops, &c. carried in account of Receipts and Payments to freight and demorage, but which ought to have remained a charge of merchandize - - - - - -	2,815	7	6			
				32,057	4	7
£.				443,260	5	1
Add,						
The following sums included in the amount of Commercial Charges General, in the account of Receipts and Payments, since carried to different heads of expenditure:						
Amount short, carried to Political Charges General in the various disbursements of officers of the house - - - - - - - - -	1,393	13	8			
Amount paid by paymaster, on account of Poplar Fund, carried to that head - - - -	61	3	6			
Amount of duties on exports, &c. paid by the Company's husband, carried to Customs - - -	531	6	6			
				1,986	3	8
Amount of Commercial Charges General in Annual Account of Receipts and Payments, from 1st May 1816 to 1st May 1817 - - - - - £.				445,246	8	9

(Errors excepted.)

East India House, 5 August 1818.

(signed) *Charles Cartwright*, Acct Genl.

(Appendix 11, in No. 19.)

SURPLUS COMMERCIAL PROFITS of the EAST INDIA COMPANY after Payment of the Dividends on the Capital Stock, from the 1st May 1814 to the 1st May 1831; together with the Amount appropriated in the same period, and showing the Balance remaining unappropriated on 1st May 1831; prepared in accordance with the Opinion of the Company's Standing Counsel, as it respects the Home-bond Debt discharged.

	Surplus Commercial Profits, after payment of Dividends on Capital Stock.	Amount applied to Payment of Interest on the Bond Debt.	Remaining Surplus.	
	£.	£.	£.	
1814–15	1,527,203	259,545	1,267,658	
1815–16	713,610	235,967	477,643	
1816–17	644,322	230,536	413,786	
1817–18	1,220,334	211,659	1,008,675	
1818–19	1,440,299	153,120	1,287,170	
1819–20	490,819	157,266	243,553	
1820–21	685,793	162,938	522,855	
1821–22	1,114,219	155,161	959,058	
1822–23	390,423	160,844	229,579	
1823–24	469,291	140,140	329,151	
1824–25	855,630	135,533	720,097	
1825–26	454,187	111,739	342,448	
1826–27	291,607	159,333	132,274	
1827–28	289,022	153,441	135,581	
1828–29	162,021	158,124	3,897	
£.	10,658,771	2,585,346	8,073,425	
Deduct, Amount adjusted in the Indian Books of the year 1828–29, on account of losses upon goods imported into India from Europe, which had arisen from deficiencies appertaining to the years from 1815–16 to 1817–18 - -	51,195	- - -	51,195	
£.	10,607,576	2,585,346	8,022,230	
As regards the Outward Trade: partly estimated 1829–30 -	118,569	114,973	3,596	
- ditto - 1830–31 -	134,679	93,363	41,316	
£.	10,860,824	2,793,682	- - -	8,067,142

APPROPRIATED AS UNDER:

	Home-bond Debt.	India Debt.	Consignments of Bullion to India, in aid of Sinking Fund.	Sum directed by the Financial Letter to Bengal, of June 1821, to be advanced to the Sinking Fund.	TOTAL.	
	£.	£.	£.	£.	£.	
1814–15	196,200	329,704	- - -	- - -	525,904	
1815–16	136,300	318,382	- - -	- - -	454,682	
1816–17	- - -	477	- - -	- - -	477	
1817–18	12	200	- - -	- - -	212	
1818–19	- - -	98	1,000,537	- - -	1,000,635	
1819–20	- - -	- - -	166,302	- - -	166,302	
1820–21	- - -	6,285	- - -	- - -	6,285	
1821–22	- - -	10,576	- - -	1,500,000	1,510,576	
1822–23	1,100	25,500	- - -	- - -	26,600	
1823–24	75	1,396,842	- - -	- - -	1,396,917	
1824–25	—	—	—	—	—	
1825–26	712	- - -	- - -	- - -	712	
1826–27	- - -	3,950	- - -	- - -	3,950	
1827–28	- - -	82,103	- - -	- - -	82,103	
1828–29	- - -	82,065	- - -	- - -	82,065	
1829–30	- - -	75,778	- - -	- - -	75,778	
1830–31	—	—	—	—	—	
£.	334,399	2,331,960	1,166,839	1,500,000	- - -	5,333,198

Balance of surplus Commercial Profits remaining unappropriated on the 1st May 1831, including the Sum of £. 1,848,790, Interest on the Balances due from the Territorial to the Commercial Branch	£.	2,733,944
Balance remaining unappropriated on the 1st May 1831, exclusive of Interest, as above - - -	£.	885,154

East India House, Nov. 30, 1831. (Errors excepted.) (signed) *Thos. G. Lloyd*, Acc^t Genl.

Appendix, No. 20.

Rates of Exchange between the Territorial and Commercial Branches.

Appendix, No. 20.

CORRESPONDENCE, &c. relating to the RATES of EXCHANGE at which the Currencies of *India* are converted into Sterling, in the Account between the TERRITORIAL and COMMERCIAL BRANCHES of the Affairs of the EAST INDIA COMPANY.

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CORRESPONDENCE, &c.

Extract from PAPER OF OBSERVATIONS by the BOARD; dated 24 February 1814.

"THE Board conceive it proper to come to an understanding on a very material point, which is not adverted to in the Suggestions, namely, the rate of exchange at which the payment in India is to be credited."

LETTER from *James Cobb*, Esq. to *T. P. Courtenay*, Esq.; dated at the East India House, 4 June 1814.

Sir,

IN obedience to the commands of the Court of Directors of the East India Company, I herewith transmit copy of a Report from the Committee of Accounts, dated the 13th April last; being the substance of a reply to the observations of the Right honourable the Board of Commissioners on the former Report from the Committee of Accounts, relating to the separation of Indian accounts, under the Act of the 53d of his present Majesty.

I have, &c.
(signed) *J. Cobb*, Secretary.

(Enclosure.)

Extract from the REPORT of the COMMITTEE OF ACCOUNTS; dated 13 April 1814.

THE rate of exchange at which the amount of the several before-mentioned transactions shall be converted into the currencies of India will now be considered.

The rates heretofore used for reducing the Indian monies into sterling, have been so various and so little correspondent to the relative intrinsic values of the coins exchanged, as to produce neither accuracy in the results nor uniformity in the several accounts and statements.

As accuracy and uniformity are of primary importance in all the accounts and statements which the late Act of Parliament requires to show the future progress of the Company's affairs, it is submitted that the Indian monies be reduced into sterling in the Company's books, statements, and accounts at home, from and after the 30th April 1814, according to the intrinsic value of such monies when compared with the Mint price of the lawful currency of this kingdom, and that the sterling money of all supplies, &c. from England to India be reduced in the Indian books, statements and accounts, from the same period into the Indian monies, according to the same rule.

This

Rates of Exchange between the Territorial and Commercial Branches.

This procedure will certainly produce uniformity of statements, and that it will also produce accuracy of result, is presumed from the following considerations.

In this country every calculation of value and price, whether by comparison or otherwise, is referrible to the legal coin of the realm. The arguments and conclusions used by the parties in the recent discussion respecting the bullion question, however opposite, proceeded upon the Mint price of bullion, as the datum of all their calculations.

If it may then be considered, notwithstanding the derangement which has been produced by the stoppage of cash issues at the Bank, and by the great and unprecedented rise in the price of bullion, that the Mint price of bullion has been the only basis of every calculation respecting price and comparative value, it may surely be presumed that the Mint price should *undoubtedly* be the basis for valuing the Indian monies in all matters of account and statement between England and India.

If in England the public revenue and all private concerns are referrible to the coin of the realm at the Mint price, that is, at 3 *l.* 17 *s.* 10½ *d.* per ounce for standard gold, and 5 *s.* 2 *d.* per ounce for standard silver, and on this principle the value in the Indian monies should be found, of all supplies from England to India, it may be presumed that as the public revenue and all private concerns in India are referrible to the currency established by the Company's regulations, that the value of the supplies from India to England and China should be found in a similar manner, which is by reducing the Indian monies into sterling, according to the fine metal contained in these monies, and the English legal currency respectively.

During the period of the late Charter, that is, from the year 1793, the current rupee of Bengal has been considered as 16 per cent. less valuable than the sicca rupee, and at that rate the sicca rupee has been reduced in all the public accounts drawn up at this house.

The sicca rupee, by the Bengal Regulations, contains of fine silver troy grains 175.927, and according to the English Mint value of 5 *s.* 2 *d.* for 444 grains fine silver, the intrinsic value of the sicca rupee is 2 *s.* 0.566 *d.* At this rate the value of the current rupee is 1 *s.* 9.177 *d.* Of late years the current rupee has been calculated as equal to 2 *s* in the factory accounts, and in the accounts of profit and loss; and as equal to 2 *s.* 3 *d.* in the account of stock per computation.

Now the consequence of this over-valuation of the current rupee, that is the difference between 1 *s.* 9.177 *d.*, and 2 *s.* has been the giving a false view, not only of the statement of account between England and India, but also a statement equally false of the profit and loss on goods exported to India, and of goods imported from India.

If, for example, 100 *l.* should be invested in metals, and charged at 2 *s.* the current rupee, the article of metals in the Indian books would be debited for 1,000 current rupees, and of course the sale proceeds beyond that sum would be considered profit; but if the cost of the metals had been reduced into current rupees, according to the intrinsic value of the sicca rupee, or 1 *s.* 9.177 *d.* the current rupee, the account in the Indian books would have been debited for 1,133 current rupees, and of course the sale proceeds must have reached beyond that sum before any profit could be stated on the sale of the article in question; so, on the same principle, any article of Indian produce invoiced at 1,000 current rupees would stand charged in the home accounts with a prime cost of 100 *l.*, and of course the article must sell beyond that sum before any profit could be stated thereon; but if the prime cost in the English accounts had been calculated according to the intrinsic value of sicca rupees, or 1 *s.* 9.177 *d.* the current rupee, the article in the home accounts would have been charged with 88 *l.* 4 *s.* 9 *d.* as its prime cost, and of course a lesser sale value would show a profit thereon greater than appears according to the practice which has hitherto prevailed.

From this it is apparent that by departing from the real par value of the Indian and English currencies in the accounts and statements, and substituting an arbitrary or imaginary value, all the Company's exports, as well as their imports, have suffered a corresponding diminution in all the statements furnished from time to time. The evil of this procedure has been twofold; for, first, the exports have been charged less for prime cost in the Indian books than they should have been charged, which has shown a profit where there was none; and, second, the imports have been charged more for prime cost in the home accounts than they should have been charged, which has shown a loss where there might have been a profit.

To obviate this in future, it is submitted, that instead of continuing the present arbitrary valuation of the Indian monies, the real par value should be taken in all the future statements, which is as follows: Sicca rupee 2 *s.* 0.566 *d.*, Arcot rupee 1 *s* 11.247 *d.*, Bombay rupee 1 *s.* 11.004 *d.*

Revenue Letter from Fort St. George, 5 March 1813, paras. 92 to 96.

The Arcot rupee is stated for the Madras accounts, because it appears by a late communication from the Governor and Council of Fort St. George, that the silver money is intended to take place of the gold in all the accounts and statements of that presidency.

Extract LETTER from *T. P. Courtenay*, Esq. to *James Cobb*, Esq.; dated India Board, 30 June 1814.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 4th instant, transmitting, by order of the Court of Directors of the East India Company, copy of a Report from the Committee of Accounts, dated the 13th April last, being the substance of a reply to the observation of the Right honourable the Board of Commissioners on the former Report from the Committee of Accounts relating to the separation of Indian accounts, under the Act of the 53d of his present Majesty.

Having

Appendix, No. 20.

Rates of Exchange between the Territorial and Commercial Branches.

Having brought the said Report under the consideration of the Board of Commissioners, I am instructed to communicate to you, for the information of the Court of Directors, the decision they have thought proper to pass on the several points brought into discussion by the Committee of Accounts as objectionable.

The Rate of Exchange at which the payment of *Territorial Charges in England* should be converted into Indian Currency:

THIS very essential point not having been distinctly brought forward in the first Report transmitted by the Court, the Board, thinking it necessary to come to a right understanding on the subject, called the attention of the Court to it in the paper of observations accompanying my letter, before adverted to. The proposition now transmitted in reply has been examined by the Board with all the deliberation so highly important and extremely delicate a point requires, being fully impressed by the reflection that it is not merely a matter of account, but involves likewise considerations of policy, prudence and consistency. The Board most fully admit the propriety of the position laid down by the Court, that with a view to show the future progress of the affairs of the Company, accuracy and uniformity are of primary importance in all the accounts and statements which the late Act requires; and they are of opinion that the rate of exchange between the sterling money and the Indian currencies should be definitively fixed upon one uniform principle, because leaving the determination of it to be governed by the fluctuations of the times would be productive of confusion, irregularity and inconvenience.

Whatever opinion the Board may form as to the accuracy of the valuation of the Indian currencies in the accounts hitherto made up, and whatever weight might be supposed to attach to the reasonings now urged by the Court in support of their proposition to have recourse to a calculation according to the intrinsic value of the several coins, estimated at the Mint prices of Great Britain, it is conceived that the present occasion is the most unseasonable and unpropitious for the trial of such an experiment, as very injurious consequences may be apprehended to result from it in various ways.

The Board do not judge it necessary to enter upon a discussion of the accuracy of the calculation on the data assumed by the Court, which will involve questions of political economy of a very intricate nature; but it is the opinion of the Board, that it would be neither wise to apply the rate resulting from that calculation to the purpose now in view, nor to use the rate which would result from the calculation on the actual market price of the precious metals, and much less the rate according to the current exchanges of the day, but that it will be far more eligible, on every consideration, to continue the rate of exchange that has generally obtained and been sanctioned by the usage of Parliament, as well in fixing of salaries and in the settlement of accounts between the Public and the Company, as in the accounts that have annually been presented to, or brought to the view of Parliament for a long series of years.

The rate so used has been as follows: 2 *s.* the current rupee; 8 *s.* the pagoda; 2 *s.* 3 *d.* the Bombay rupee.

It should be added that the Court, in their Commercial Letter to Bengal of the 9th February last, para. 97, have directed the invoices of the stores exported to India (which stores are stated to form part of the Territorial disbursements in London) to be carried to account in the books at these rates; and in another commercial letter to India by the ships last despatched, the amount of Indian currency has been converted into sterling upon the same calculation.

From all these considerations, the Board have thought proper to determine that this rate of exchange, which may be considered as a medium rate, be used in the conversion of the Territorial payments in England into Indian currency.

Extract of PLAN for keeping and arranging the BOOKS OF ACCOUNT of the East India Company in *England*; that the said Books shall contain and exhibit the Accounts of the Territorial and Political Departments separately and distinctly from such as appertain to or are connected with the Commercial Branch of their Affairs. Submitted by the Court of Directors of the said Company to the Board of Commissioners for the Affairs of India for their approbation, in conformity to the provisions of the Act of the 53d of the King, c. 155, s. 64, together with the Alterations, Amendments and Additions made by the said Board, in the manner also provided in the said Act.

Suggestions.	*Remarks, Alterations, &c.*
4. That an account be opened in the ledger under the head of "Territorial Account," which will contain on the debit side the amount of all payments made in England on that account, and on the credit side the payment by India of these advances, either by issues to the Commercial Boards in India or by any other means.	Approved, on the assumption that it is combined with such arrangements of detail as shall enable the Company from time to time to furnish such distinct accounts relating to the several branches of the Political Department, both as to debts and assets, and receipt and expenditure, as are or may be required by Parliament or called for by the Board, it being understood that the accounts of the payments in England for Territorial Charges

Suggestions.

Remarks, Alterations, &c.

Charges to be repaid in India, according to the provision of the 54th section of the Act of the 53d, will be drawn up or calculated from the debit side of this general head; and as the rate of exchange at which the payment in sterling shall be converted into Indian currency is not provided for in the said Act, the Board deem it eligible and proper to determine that the exchange shall be at the same rates which have obtained and been sanctioned by the usage of Parliament, as well in fixing of salaries, and in the settlement of accounts between the Public and the Company, as in the accounts which have annually been presented to or brought to the view of Parliament for a long series of years, viz.

2 *s.* the current rupee, calculated at 16 per cent. less than the sicca rupee.
8 *s.* the pagoda.
2 *s.* 3 *d.* the Bombay rupee.

LETTER from *James Cobb*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 16 May 1815.

Sir,

THE Committee of Accounts in their Report to the Court of Directors of the East India Company of the 13th April 1814, recommended that rates of exchange, founded on the par values of the Indian and English monies, should be adopted in the several accounts and statements of the Company's affairs after the 30th of the same month.

To this proposition the Board of Commissioners, in your letter of the 30th June 1814, objected, for the reasons therein stated; but as it appears to the Court that the subject is still open to discussion, and that it is of the utmost importance to the just and accurate statement of the future progress of the Company's affairs, that the rates then recommended should be finally adopted, I am directed to submit copy of a Report from the Committee of Accounts; also of a paper therein referred to, prepared on the subject, entitled "Memorandum on the Valuation of the Indian Monies in Account," containing further reasons for inducing the Board's adoption of the rates above adverted to.

I have, &c.
(signed) *James Cobb*, Secretary.

(Enclosure No. 1.)

REPORT of the COMMITTEE of ACCOUNTS.

THE Committee in their Report to the Court of the 13th April 1814, recommended that rates of exchange, founded on the par values of the Indian and English monies, should be adopted in the several accounts and statements of the Company's affairs of 30th April 1814. To this proposition the Board of Commissioners for the Affairs of India, in the letter from their Secretary of the 30th June 1814, objected, for the reasons stated in that letter; but as it appears to your Committee that the subject is still open to discussion, and that it is of the utmost importance to the just and accurate statement of the future progress of the Company's affairs, that the rates recommended in the Committee's Report of the 13th April 1814 before referred to, should be finally adopted; your Committee have read and approved a further paper prepared on the subject, which they recommend, if such paper shall meet with the approbation of the Court, be submitted to the Right honourable the Board of Commissioners, as further reasons for inducing the adoption of the rates proposed by the Court in April 1814.

The Committee, therefore, present the paper referred to, intituled, "Memorandum on the Valuation of the Indian Monies in Account," to the consideration of the Court.

East India House, 12 May 1815.

(Enclosure No. 2.)

Extract MEMORANDUM on the Valuation of the Indian Monies in Account.

THE memorandum referred to in the above Report is of considerable length, the substance of the arguments it contains is comprised in the following concluding observations:

	s.	d.
The rate at 2/6, and 12 months' date, deducting the interest, is equal to -	2	4.57
The Board's rate is -	2	3.84
Difference - -	0	0.73

or about 2½ per cent.

	s.	d.
Value, sicca, in exchange, as above - - -	2	4.572
Intrinsic value of sicca	2	0.566
Difference - -	0	4.006

or about 16⅓ per cent.

	s.	d.	s.	d.
Sicca rupee, instead of -	2	0.566	2	−½
Arcot rupee -	1	11.247	1	11½
Bombay rupee	1	11.004	1	11

The modification is proposed merely for the convenience of more ready calculation.

	s.	d.
Sicca rupee -	2	−½
Arcot rupee -	1	11½
Bombay rupee -	1	11

"If the Board's rates are finally adopted, the following are the consequences which are likely to occur:—First, the true par of exchange will be overlooked, and so far from the rate charged in the bills for interest on the Indian debt being considered as it really is, a political rate, it may be understood as little beyond a fair commercial rate, when by the adoption of the Board's rates, the real par may be referred to those rates instead of being referred to the relative intrinsic values of the several coins exchanged. And, second, not only will the Company's commercial statements experience the deterioration before mentioned, but at the same time the amount of their gross and net revenues will experience an increase in the same ratio; from which it may be contended by those who are inimical to the Company, that as the commerce appears to be carried on at a loss, while the net revenues are increasing in amount, it would become a matter of absolute necessity to abandon that commerce altogether, and thus leave the realization of even the surplus revenue to the medium of the private trade.

"But if the Court's rates (or the modification of them in the margin) are finally adopted, the statements of revenue and charges, and commercial and political intercouse, will be formed on a principle of valuation, which will at all times show the just comparison between Indian and English money, and will exhibit in the profit and loss accounts results calculated according to the fixed values of the coins of England and India, and thus, by deductions from such values, prove how far the trade carried on by the East India Company is really profitable, and how far that profit extends.

"It may be proper also to state, in concluding these observations, that, by the adoption of the Court's rates, the very important considerations before mentioned will be accomplished, the general principle for the valuation of coins will be preserved, and the whole accounts and statements will be drawn up on principles which appear perfectly applicable to England and India, the government of both being essentially conducted by the same authorities, and each being equally under the control and direction of the same Parliament."

LETTER from *T. P. Courtenay*, Esq. to *James Cobb*, Esq.; dated India Board, 3 August 1815.

Sir,

I HAVE to acknowledge the receipt of your letter of the 16th May last, transmitting copy of a report of the Committee of Accounts of the 12th of the same month, together with a document intituled, "Memorandum on the Value of the Indian Monies in Account," which document is recommended by the said Committee to be submitted to the Board of Commissioners for the Affairs of India, as containing further reasons for the adoption of the rates of exchange proposed by the Court of Directors in April 1814, in the several accounts and statements of the affairs of the East India Company after the 30th of that month, instead of the rates directed by the Board, as signified in my letter of the 30th June following.

I am directed by the Board to request you will state to the Court, that the determination thus communicated was not passed without the most deliberate and mature consideration of the grounds upon which the Court had proposed the conversion of sterling money into the Indian currencies, at the several rates set forth in the Report of the Committee of Accounts, dated 13 April 1814.

The representation of the Court against the rates directed by the Board, as detailed in the document transmitted at the recommendation of the Committee of Accounts, has since been examined, with all the attention due to a subject which involves not only the interests of the East India Company, but those of the subjects of the United Empire at large.

The renewal of the Charter was a transaction in which Parliament and the British Government were contracting parties with the Company; the only computation of the value of the Indian coins referred to in the negotiation between the Company and the Public, or submitted to the consideration of Parliament, were those of 2*s.* the current rupee, 8*s.* the pagoda, and 2*s.* 3*d.* the Bombay rupee, and the whole arrangement must be understood to have been concluded, upon an admission of the accuracy for practical purposes of that valuation, which, from long usage even on the part of the Company, had become customary. On these principles of calculation adjustments of accounts have taken place, and payments have been made by the public to the Company to the extent of several millions; and were they now to be changed, the public might claim of the Company a revision of the accounts already settled, as well as a correction in all future payments.

A deviation from the continuance of rates so established by usage could not be justified but upon the strongest grounds of practical inconvenience; and indeed the Board entertain some doubts of their competency to sanction an alteration in a system which, for more than 20 years, has been in operation, with the approbation of Parliament, and on which the arrangements of the new Charter may be understood to rest.

From the earliest times of which the East India Company have any account, the valuation of the Indian currencies in sterling money has been much higher than their intrinsic value estimated as bullion. This enhanced value of those coins may be attributable to two causes, which by their joint operation would seem sufficiently to account for it; the one, that there has been almost constantly a balance of trade in favour of India, in consequence of which the course of exchange has been almost uniformly in favour of that country, as may be judged

judged from the great import of bullion; the other cause appears to be the high seignorage taken in the Indian mint.

In fact it is evident, that if the coin of any country be rendered by means of seignorage of greater value than bullion in the same country, it will preserve a part or the whole of this extrinsic and additional value in other countries with which the country in which it is coined may have commercial relations, especially if the course of payments be usually in favour of the coining country.

Accordingly, in most of the common tables of coin and currency which have been published in the last century, the sicca rupee is rated at 2*s.* 6*d.*; and in no one of the accounts annexed to the memorandum is the rupee and the pagoda rated at a lower value than what is adopted by the Board, except in one or two cases of the Madras pagoda, the latest of which occurs as long ago as the year 1771.

It is however much less material to inquire, upon abstract principles, what would be the proper rates at which to fix the Indian currencies, if the question were now to be settled for the first time, than to consider what would be the inconveniences which would arise from adopting the alterations suggested by the Court.

The calculation of the result of the Company's import trade for the last 28 years is stated in an appendage to the memorandum to have been made according to the customary rates adopted by the Board, with the exception of that from Bombay, in which the rupee is rated at 2*s.* 6*d.* instead of 2*s.* 3*d.* On this calculation the profitable out-turn of the adventure has been strongly asserted on the part of the Company. Since the passing of the Act of the 53d, by which the trade with India was opened to the enterprise of private merchants, the course of exchange for bills between India and London has been considerably enhanced. Those on Calcutta from 2*s.* 2½*d.* to 2*s.* 5½*d.* the rupee, and on London from 2*s.* 5½*d.* to 2*s.* 8½*d.* at 60 days' sight, and are liable to a further increase in proportion to the demand. The Company in their commercial capacity are already in the possession of considerable advantage over the merchant, independent of the great facility and security of the extensive remittance under the arrangements prescribed by the Act. Should that remittance be allowed to be made at the rates of exchange contended for by the Court, the private merchant could not persevere in the competition without most serious hazard, and the privilege granted by Parliament would be rendered nugatory. He cannot procure funds in India, or remit funds to India by consignments or otherwise, upon any calculation founded on the intrinsic price of bullion; so that, on mercantile principles, he would in all probability be driven from the market.

The objection to the proposition of the Court as it respects the political branch of the concern, and consequently the practical inconvenience resulting from it, stands upon strong grounds.

The pay of the civil and military service is received in Indian currency, with the full understanding of its relative value to sterling, on rates which custom has rendered habitual. In the civil, the customary rate adopted by the Board is repeatedly prescribed in Acts of Parliament, and it would be unwise to make an alteration which might prove the means of furnishing grounds of claim to compensation.

The advantage stated by the Court to be derived by the Customs does not require further remark, than that the rate of exchange at which the sterling money of the invoices is converted into currency, according to the Regulations, has been the source of complaint, and orders have been sent to India for a revision.

The observations with respect to the disuse of the current rupee in the Bengal accounts is of very little consequence, for it would, if applicable at all, have been a reason for changing the Parliamentary accounts several years ago; and as to the probable disuse of the pagoda in the Madras accounts, the substitution of the Arcot rupee can be made at the customary rate of 3½ rupees per pagoda.

In reply to the objection offered by the Court to the several rates adopted by the Board, that they do not agree in comparative value, it should be observed that they are the rates in customary use between the respective presidencies and England, and it will only require in the several officers of account abroad and at home a perseverance in that necessary attention to accuracy to which they are already accustomed.

On the whole, the determination of this question must be considered to rest more upon expediency and practical convenience than upon any theory, however plausible, and particularly a theory involving the consequences which have been pointed out. The Board have, therefore, upon the fullest consideration, determined to adhere to the decision communicated in my letter of 30 June 1814, with the addition of what relates to the conversion of the Madras pagoda into Arcot rupees.

I am, &c. &c.

(signed) *T. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *T. P. Courtenay*, Esq.; dated India House, 17 July 1816.

Sir,

I AM commanded by the Court of Directors to enclose, for the purpose of being laid before the Right honourable the Board of Commissioners for the Affairs of India, copy of a Report from the Committee of Correspondence, dated the 10th April, together with the Paper of Observations referred to therein. And I am directed to request you will be pleased to state to the Board, that in the opinion of the Court of Directors the circumstances stated in the

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the Observations are sufficiently important to justify another application to the Board of Commissioners, for the purpose of obtaining their sanction for the adoption of the Rates formerly preferred by the Court in all the Company's statements from the 30th April 1814. And I am further directed to request you will be pleased to bring the enclosed Papers before the Board as early as may be convenient. I have, &c.

(signed) *J. Dart*, Ass^t Sec^y.

(Enclosure, No. 1.)

REPORT of the Committee of Correspondence; dated 10 April 1816.

A PAPER of Observations on Mr. Courtenay's "Letter of the 3d August 1815, respecting the Rates of *Exchange of Indian Monies in Account*" having been laid before the Committee by the Chairman, and the Committee having approved the same, beg leave to lay it before the Court, and to submit that a copy of the Paper be transmitted to Mr. Courtenay in a letter from the Secretary.

(Enclosure, No. 2.)

OBSERVATIONS on Mr. Courtenay's Letter of the 3d August 1815, respecting the Rates of Exchange of Indian Monies in Account.

Letter from Mr. Courtenay, 13 June 1814.

THE Board, by this Letter of their Secretary, confirm their former decision respecting the rates of 2*s.* the current rupee, 8*s.* the pagoda, and 2*s.* 3*d.* the Bombay rupee. But the Board agree to the Court's proposition for reducing the pagoda into Arcot rupees, at the rate of 3½ rupees for one pagoda.

The Board object to the alteration proposed by the Court, principally for the following reasons:

1st.—The public might claim of the Company a revision of the accounts already settled, as well as a correction in all future payments.

2d.—It is doubted whether the change could be admitted, without the sanction of Parliament.

3d.—Indian monies, from the Company's earliest accounts, have been rated higher than their intrinsic value, partly from the balance of trade being in favour of India, and partly from the high seignorage charged in the Indian mints, which together tend to preserve that extrinsic and additional value in other countries.

4th.—If the rates proposed by the Court were allowed, the Company would obtain such an advantage as would probably drive the private trader out of the market, which is contrary to the intentions of Parliament.

5th.—The effect the change would produce respecting the Political Branch of the Company's affairs, "stands upon strong grounds."

6th.—The change might give rise to claims for increased allowances from the civil and military servants of the Company.

Previous to offering any remarks on these several points, it appears proper to notice, that in the observations on the Court's recommendation for valuing the Indian monies in account according to the relative quantity of fine metal in those monies, and in the legal coins of Great Britain, the Board have uniformly called that recommendation a "theory," and have treated it as being contrary to practical convenience. It may perhaps be allowed again to observe, that it is not only the true theory on which all calculations of exchange should proceed, but it is also the mode in universal practice for finding the par rates of exchange; and it is from the par rates so formed, that the amount of the deviation, in what is called the course of exchange, is calculated, by which the difference above or below par is found, and from which the favourable or unfavourable operation of the course of exchange is deduced.

In respect to the *first point* it may be remarked, that the Court could have no objection to a revision of the accounts already settled with the public, at least so far as regards the rate of exchange, which is the only question now under consideration, because the presumed equity of the case, as well as the practice lately adopted, leave the Court no apprehension of sustaining any loss on that account. *First*, as to the presumed equity of the case, the accounts referred to were for advances by the Company in India for His Majesty's service there, which advances were repaid in London, at certain rates of exchange.

Appx. to 4th Report in 1812, No. 26, p. 497.

The amount drawn on the Company from 1794–5 to 1806–7, was 9,137,527*l.*, and the expense to the Company, beyond the rates charged to the public, was 254,072*l.* or 2.78 per cent.

Appx. to 3d Report, No. 17, p. 395.

In the same period the advances in India for the public service were admitted by the House of Commons to amount to 5,010,702*l.*

1st Report, 1808, p. 5, and 30 to 40; and 3d Report above, p. 395.

It is presumed that whatever might have been the principle on which the rates of exchange were founded, for reducing the advances in India into sterling, that the Company were justly entitled to be repaid in England a sum equal to the expense they incurred in providing those advances for the public service in India; but in the accounts referred to, the rates used for charging the public with the advances in India were nearly 3 per cent. less than the average rates paid by the Company for bills drawn on them from India. The principle above stated was however partly recognised in the settlement of the accounts referred to, as the Company were allowed to charge the public interest according to the average rates the Company paid for money raised in India during the period comprehended in those accounts.

And *second*, as to the practice lately adopted. It may be presumed the Board have seen the justice of the conclusion, that if interest was allowed according to the rate paid, so should the advances of principal be repaid in the same manner. This has been fully recognised in the late agreement with His

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His Majesty's Government, for the payment in England of advances made in India. These advances are to be furnished from the cash remaining in the Indian treasuries, in consequence of the interest on the Indian debt being taken out by bills drawn on England at the rate of 2*s.* 6*d.* per sicca rupee. And upon this principle it has been agreed that the advances to the public service in India should be repaid in England at 2*s.* 6*d.* per sicca rupee also. This equitable agreement seems to have been overlooked by the Board in the late letter of their secretary, otherwise it could not have escaped notice, that so far as regarded advances in India, the sum to be repaid on that account should in all cases be regulated by the sum it cost the Company to supply such advances, without any reference to the rates used in the accounts and statements. In either view, therefore, it is presumed a revision of the rates used in the accounts already settled between the public and the Company could not be objected to by the Court, should the Board think such revision necessary, as it is clear by the mode recently adopted for the settlement of future accounts, that such revision would be in favour of, and not against the Company.

As to the *second point*, it is to be presumed that Parliament would not withhold its sanction to any measure which was founded on principles so agreeable to general usage, as those which the Court have recommended.

The *third point* embraces two distinct considerations, *First*, the supposed effects of the balance of trade, and *Second*, the supposed effects of the Indian seignorage on the coinage. On the first consideration it is with much deference observed, that the Board appear to have overlooked the manner in which the trade with India was conducted, at least so far as that trade is supposed to affect the rates of exchange used in the early part of the Company's affairs. The trade with India was carried on at the beginning of the last century, principally by goods and bullion consigned to the several factories, the bills drawn on England being granted more in the nature of indulgences to the Company's servants, than as the means for carrying on the trade. The bills paid in the early part of the last century were in the proportion of about one-tenth to the goods and bullion sent out, as shown in the margin. After the year 1735 the proportion of bills drawn to goods and bullion sent out increased, but so far from this increase operating in the way supposed by the Board, it is worthy of particular notice, that taking Bengal as an example, even from the year 1724, the rates for bills declined from about 2*s.* 7½*d.* to about 2*s.* 2½*d.* to 2*s.* 3*d.*, which was the rate in 1760. From 1761 to 1766 the rate was 2*s.* 4*d.*, and from that period the rate declined to 2*s.* 1*d.* and 2*s.*, which were the rates from 1771 to 1790. In 1786 and 1787 some part of the Indian debt was paid by bills drawn at 1*s.* 8*d.*, and 1*s.* 11*d.* per current rupee. For some time after the Company became possessed of the Dewannee, the Indian revenues provided a part of the Europe investments. In this case so far from those investments representing any balance in favour of India, the part provided by the revenues was in fact so much of the balance of the annual tribute due from India to the Company as the sovereigns of the country. It is well known that for some years after the Dewannee, owing to a mistaken policy, the Company refused to take the savings of their servants in India for bills on England, and that in consequence those savings were advanced to the Foreign European Companies, to the great detriment of the Company's affairs. It is equally well known that the rates of exchange granted at that time by the Foreign Companies did not proceed on the real, or the supposed real value of the Indian monies, compared with the European monies with which they were exchanged; but those rates were fixed according to the demand for goods in Europe, and of course according to the demand in India for funds to purchase such goods, and according to the quantity of the funds in the hands of individuals requiring remittance to England through the medium of the trade of the Foreign European Companies, all other means of remittance except that of the coins of the country being closed by the policy before mentioned.

From 1705-6 to 1734-5. The average annual value of goods and stores exported by the Company was £. 101,296
The average annual value of bullion was - - 455,312
£. 556,608
And the average annual amount of bills paid from 1705-6 to 1734-5 was 53,992

This period is taken, because it is the period in which the rates used in the home accounts, as stated in the memorandum forwarded by the Court, were the highest in the whole series of more than 100 years referred to on that occasion.

Note.—It was not till 1787 the Bengal rupee was reduced in any of the home accounts from 2*s.* 6*d.* to 2*s.*; it was not till 1735 that the pagoda was reduced from 9*s.* to 8*s.*; and from 1712 to 1739 the Bombay rupee was charged at 2*s.* 6*d.*, after that at 2*s.* 5*d.* and 2*s.* 6*d.*; and from 1789 at 2*s.* 3*d.*; from 1705 to 1712 the Bombay rupee was charged at 2*s.* 3*d.*

On the second consideration, respecting the supposed effects of the seignorage charged in the Indian mints, it is observed by the Board, "In fact it is evident that if the coin of any country be rendered, by means of seignorage, of greater value than bullion in the same country, it will preserve a part or the whole of this extrinsic and additional value in other countries with which the country in which it is coined may have commercial relations, especially if the course of payments be usually in favour of the coining country." This observation is not quite free from ambiguity; as it is stated, if coin is rendered more valuable by seignorage than bullion, &c., without stating in what manner the supposed extrinsic value is given by the mere charge of seignorage. In India it appears to have been the practice to deduct from the number of the pieces coined a certain portion out of every 100 or 1,000 for the charges of the respective mints. According to the late Lord Liverpool, it appears to have been the practice in some countries (European) to retain the seignorage by a reduction in the standard of the coin. Now, in either of these cases, it is clear such charge cannot add to the real value of the coin; it certainly does increase the expense of fabrication, and so far, where payments are to be made, the cost of the coin will be increased; but it appears to be quite contrary to the principles of the circulation of money, that such increased cost of fabrication should give any increased value to the coin so charged with that cost, in any other country than that where it circulates as the

Letter from Lord Liverpool to the King, p. 154.

"It is and has long been a dispute among the writers on coins, whether the charge of fabricating coins, and even a seignorage payable to the sovereign, should not be taken out of our coins, as is practised in most foreign countries; and many eminent men have differed on this point. I incline to think that the charge of fabrication should not be taken from those coins, which are the principal measure of property and instrument of commerce, and still less any profit derived from seignorage payable to the sovereign."

P. 154.

"Because the merchants of foreign nations, who have any commercial intercourse with this country, estimate the value of our coins only according to the intrinsic value of the metal that is in them, so that the British merchant would in such case be forced to pay, in his exchanges, a compensation for any defect which might be in these coins, and he must necessarily either raise the price of all merchandize and manufactures sold to foreign nations in proportion, or submit to this loss."

* Bengal Journal, 1710–11, p. 7.
— — p. 15.
— 1711–12, p. 69.
— — p. 162.

† Bengal Journal, 1711–12, p. 107.

Extract, Fort William Journal, Aug. 1719, p. 14.

"Sold for ready money, to defray expenses, three chests of Mexico dollars, at 207 sicca rupees for 240 sicca weight, that being the price the Shroffs give for siver in payment of bills of exchange, or ready money, though we make our merchants take it at 209 sicca rupees for 240 sicca weight."

	Troy Grains.
One sicca weight - -	179.67
240 - ditto - -	43,120.80

43,120.80 Troy grains, standard silver, = 39,886.74 Troy grains, fine silver.

One sicca rupee contains 175.927 Troy grains of fine silver; therefore 240 sicca weight of standard silver = 226.72 sicca rupees.

Given for 240 sicca weight 209; difference 17.72 or 8.4 per cent.

the legal currency. Perhaps Lord Liverpool's authority may be quoted in this case also.

To ascertain what rupee was used in the home accounts for the Bengal factory, and the manner in which sterling money was converted into Indian currency, the books of that factory, from 1710–11, have been investigated, and the following is the result: In May 1710, there was a batta of 12 ½ per cent. added on the currency used in the books, in which the value of bullion from England was charged, without it being stated whether that currency was the current or sicca rupee. In August 1710*, it was charged at 13 ½ per cent.; and in November 1711, it was charged at 16 per cent. In February 1712, it is expressly stated that the silver received from England was valued at 211. 4 sicca rupees for every 240 sicca weight; this produce being carried out in rupees, and to that amount 16 per cent. being added for batta. †The bills drawn on England are stated in rupees, and the number of rupees so stated is carried out without any batta being added thereto. It is not till the year 1719–20 that any entry in the Bengal books can be found for showing the whole operation of the manner in which the bullion received from India was carried to account and issued. It appears that it was the custom to divide the invoice sterling value of the bullion received by 2 *s.* 6 *d.*, and then to carry out that produce as the cost in rupees. In its issue, the bullion in sicca weight was charged at so many sicca rupees for every 240 sicca weight, the number of sicca rupees varying with the standard fineness of the bullion sent out. In 1719–20 the variation was from 207 to 213 ½ sicca rupees for every 240 sicca weight of the several parcels of silver contained in the invoices of that year. As 209 appears to have been considered the equivalent for standard bullion, the difference was 17 ½ against the Company in this exchange, if the intrinsic value of the sicca is compared with the fine silver in 240 sicca weight of standard bullion; therefore the sum divided between the native mint and the native merchant appears to have been at the rate of about 8 ½ per cent.

It may then be presumed evident that the value of the rupee was charged, not according to the intrinsic value of the Bengal currency, compared with sterling money, nor according to any supposed reference to the balance of trade, but according to the value which the native merchants put upon the bullion received from Europe when exchanging it for the coin of the country, by which they exacted the difference before stated.

In the *fourth point*, it is stated that if the rates were conceded, the private trader, on mercantile principles, would be driven from the trade, and the privilege granted by Parliament become nugatory.

At present the private trader appears to possess some considerable advantages in the prosecution of his commerce with India, when contrasted with the situation of the Company in that respect. The private merchant is engaged in a trade of remittance, or very nearly so; his outward cargoes being, in general, but of inconsiderable value; his adventure, in fact, commences in India, and is carried on, generally speaking, by capital originating in India, and requiring remittance to England. The amount of his trade may be supposed to be regulated by the state of the European markets; and, in general, he has the prospect of realizing his returns in about 12 months from the purchase of the goods in India. If therefore under these circumstances he can obtain what he considers a fair mercantile profit on his commerce, he will continue it. And if, on an average of years, he should find that it does not produce him a fair mercantile profit, he may either diminish the amount of his trade or discontinue it altogether, according to his own views of the expediency of the case.

The Company's trade, in fact, commences in England, because the amount of that trade is regulated according to the Act of the 53d. By the sums paid in England for charges on account of India, and for goods sent there, and calculating from the purchase of the goods, and payment of the charges, to the realization of the home cargoes, the Company's returns, upon an average, cannot be effected at less than about two and a half or three years. The Company also are compelled to invest their funds in goods to the amount of the Indian charges paid in England, whatever may be the state of the European markets, because they have no other means of obtaining repayment of those charges but through the medium of their investment. But however the question of comparative advantage between the Company and the private trader may stand so far as regards the circumstances of their commerce, there can be no doubt that the rates used in the Company's accounts for exhibiting the state of their commerce, cannot influence the private trader, because the Company's rates can neither increase nor diminish the amount of his profits.

As to the *fifth point*, which relates to the effect the rates proposed would have on the political branch of the Company's affairs, the consideration of this question is involved in the observations hereafter stated respecting the importance of the change proposed to the future progress of the Company's affairs.

The *sixth point*, respecting any supposed claims of the Company's servants, requires but a very

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a very few words. The alteration in the rates in the Company's accounts would have no influence on the metallic value of the India coins, in which the salaries of the Company's servants are paid, neither would such alteration have the least effect on the exchangeable value of those coins in India; and as long as the interest of the Indian debt shall be remitted at 2*s.* 6*d.* per sicca rupee, and the opportunity of remittance through the private merchant continues, the Company's servants, under those circumstances, would obtain for their Indian monies a rate in exchange precisely on the same principles as at present, without that rate being influenced by the statements in the Company's books or accounts.

The foregoing observations, in reply to the Board's objections to the adoption of the rates proposed, are submitted with much deference; and it now remains to advert to the importance of the reduction proposed in the rates of exchange as it respects the interest of the proprietors of East India stock.

By the late Act of the 53d, the dividends to the proprietors, in fact, depend upon the state of the Company's profit and loss accounts; in this view it matters not to what amount the sales may extend, if the result of those sales is not sufficient, after defraying all commercial charges, to produce a sum equal to the payment of the dividends. If, under the operation of the late Act, the private merchant should find that encouragement for extending his commercial transactions the advocates for throwing open the trade taught the British public to expect, there can be no doubt that, under those altered circumstances, the profit on the Company's Indian trade, if indeed any should appear while the present rates exist, would be so much reduced as hardly to deserve notice; in which case the Indian trade would be carried on merely to replace the outlay in England for Indian political charges, and for the cost of military and other stores, without adding anything to the items for providing for the proprietors the dividends on their stock. This is a consideration of great moment, because, in the case supposed, the proprietors could only look for their dividend to the profits of the China trade; in which, under the present circumstances of a general European and American peace, there is every reason to presume, some reduction will take place. There is no probability of any export trade in tea to the continent of Europe during peace; and there is reason to apprehend some reduction in the home consumption of tea, from the temptation the high duty on that article holds out to the contraband dealer. As there is no prospect of an increase in profit, on a decreased sale, in the case supposed, so, if to the reduction in the Indian profits should be added any considerable reduction in the China profits, a deficiency might soon occur in the accounts, and thus prevent a dividend being declared to the full extent of 10½ per cent. Any reduction of the dividend that can be justly avoided is much to be deprecated, because there is hardly even a supposable case in which, under the most favourable circumstances, the proprietors can expect an increase to the rate of 10½ per cent. in future years, so as to equalize any supposed reduction in that rate from the operation stated, Parliament having so completely appropriated the profits that there is no probable expectation of any profits so extensive as to offer such a reduction of the Home and Indian debts as would allow of any increase to the dividend within the term of the present Charter. So long as the Company's affairs proceeded on the principle of complete unity, in their character as merchants and sovereigns, it was of no very material importance, in respect to the payment of the dividend to the proprietors of East India stock, whether the rates used in the home accounts, for converting the Indian monies into sterling, were a little over or a little under their real comparative intrinsic values; because, upon an average of years, it was found that the rates used, though above their real values, produced a sufficient profit for all the purposes required under those circumstances. But since the separation made by Parliament in the character of the Company, as contradistinguished by the terms Commercial and Political, which separation affects the whole conduct of their affairs since the month of April 1814, it is of the utmost importance to the proprietors of East India stock that the whole of the Company's transactions, whether commercial or political, should be finally brought to account on accurate and just principles.

It is only from the use of the rates contended for that the Company can expect any increase, either to the amount of their Europe investments, or to the ultimate profit and loss on the whole of their trade, so as to counteract the probable decrease on those accounts as before stated; because there can be no expected increase to the Indian trade from an increase in the amount of political charges paid in England, or of military or other stores sent from England. So far as the political charges of India, &c. paid in England, are concerned, the Board feel an interest to prevent any increase on that account, with a view to general economy, and for the purpose of preventing the Political branch from becoming indebted to the Commercial branch of the Company's affairs; and so far as regards the goods exported for sale, the Court are equally interested in narrowly watching any increase on that account, as it is the net out-turn of those goods in India for which the Commercial branch will ultimately obtain credit, and not the mere invoice value of the goods. The rates proposed by the Court, if adopted, would be another motive for the greatest caution in the future exports, as the cost, when reduced into Indian currency, would be increased in the ratio of the reduction in the exchangeable value of the currency; therefore it would require a greater sale value to induce any increase in the consignments for sale in India.

In a letter from the Board of the 30th June 1814, it is stated as follows:

"The Board rely that the utmost attention be paid, that the indents from India for stores be limited to the annual demands of the service as far as prudent and practicable, so that expense be not incurred by a mere accumulation in the arsenals. Economy in the purchases is evidently an essential point of attention."

Upon the whole, then, if there is good reason to expect that, on the before stated principles, the probable future scale of the Indian and China investments, combined with the operation of peace-charges, may exhibit an annual profit in the home accounts equal to the dividend

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dividend and all charges, it may be presumed an object sufficiently important to justify another application to the Board, for the purpose of obtaining their sanction for the adoption of the rates proposed by the Court in all the Company's statements from the 30th April 1814.

East India House, April 1816. (signed) *Joseph Thompson.*

LETTER from *T. P. Courtenay*, Esq. to *James Cobb*, Esq.; dated India Board, 15 August 1816.

Sir,

IN reference to your letter of the 17th ultimo, transmitting copy of a Report from the Committee of Correspondence, together with the Paper of Observations referred to therein, respecting the rates of exchange of Indian monies in account, I am directed by the Commissioners for the Affairs of India to inform you, for the further information of the Court of Directors, that after giving to the subject the most serious consideration, they do not think it expedient or proper to reverse the decision of the late Board, as communicated in my letter of 30th June 1814 and 3d August 1815.

I am, &c.
(signed) *T. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *T. P. Courtenay*, Esq.; dated at the East India House, 15 January 1824.

Sir,

THE alterations which have been made in the rate of exchange, at which bills are drawn on the Company in discharge of interest on the registered debt of India, as well as that at which bills are drawn in the Company's favour, in reimbursement of supplies to His Majesty's service, have directed the serious attention of the Court of Directors to the propriety of altering the rates of exchange observed in transactions between the Territorial and the Commercial branches of the Company's affairs; and I have the honour, by command of the Court, to request that you will submit to the consideration of the Board of Commissioners for the Affairs of India, the following observations and suggestions upon that important subject.

In the year 1814 the Board, in virtue of the authority vested in them by the Act of the 53 Geo. 3, c. 155, s. 64, directed, that in transactions between the Territorial and the Commercial departments the following rates of exchange should be observed; viz. 2 *s.* the current rupee; 8 *s.* the Pagoda, and 2 *s.* 3 *d.* the Bombay rupee.

To those rates the Court objected, and they proposed instead thereof that the Indian monies should be reduced into sterling in the Company's books at home, according to the intrinsic value of such monies, when compared with the mint price of the lawful currency of this kingdom, and that the sterling money of all supplies, &c. from England to India, should be reduced in the Indian books into the Indian monies, according to the same rate.

After much discussion, the Board, on the 15th of August 1816, apprised the Court that it was not thought expedient or proper to reverse the former decision.

It is not the intention of the Court now to contend for the particular principle then urged, but as the rate of exchange between England and India has materially varied since the last decision of the Board, and as the circumstances occasioning that variation have been deemed sufficient to justify and call for an alteration in other established rates, the Court are persuaded that the Board will concur in the propriety of bringing the subject again into discussion.

A main feature of the financial arrangements of the Act of 1813 was the separation of the Political from the Commercial accounts of the Company, but as sums were required in England to defray territorial charges, and sums were required in India to provide commercial investments, the Act directed that a sum equal to the actual payments in England on account of Territorial charges, (after deducting the amount of commercial expenditure in India,) should be generally set apart out of the Territorial revenue for the purpose of investment or remittance, at the option of the Court.

The payments in England being made in sterling, and those in India in sicca rupees, the question is, at what rate shall the currency of the one country be converted into the currency of the other?

Upon this question it appears to the Court that it was the obvious intention of the Legislature that sums paid from commercial funds in England for the territorial purposes of India, should be considered as so much remitted from England to India.

The Company, in its commercial character, disburses monies in England for the Company in its territorial character, and those monies being required in India for commercial purposes, the Territorial should repay to the Commercial Branch a sum *equivalent* to the disbursements in England.

But if in these transactions a higher value be affixed to the coin of India, relatively with that of England, than is justified by the mercantile exchange, it is clear that the Commercial branch instead of receiving the equivalent, sustains an actual loss arising out of its advances to the Territorial branch.

This is the present practical effect of the rates in use, the sicca rupee being valued at nearly 2 *s.* 4 *d.*, whereas its worth in remittance from England to India since 1816, according to the best information which the Court have been able to obtain, has scarcely averaged 2 *s.*, and does not at this time exceed 1 *s.* 9 *d.* The Court readily admit that if a demand had

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had been made upon the market for a remittance to India to the extent of the sums advanced from the Commercial branch, the rate of exchange would to some extent have been thereby enhanced; but after making all reasonable allowance on that account, the Court are of opinion that taking the average since 1814, the Commercial branch has under the operation of the prescribed rates sustained a considerable loss, to which it is apprehended the Legislature had not the most distant idea of subjecting it.

It may also be observed, that by converting the invoice value of the Company's exports into the currency of India, at the rate prescribed by the existing Regulations, a fallacious view is given in the India books of the out-turn of the exports. Indeed, so long as those rates are continued, the Court submit that the annual result of the transactions of the Commercial branch, relatively with those of the Territorial, must be delusive, and thus the great object of Parliament in prescribing the separation of accounts is defeated.

But there is another ground upon which the Court conceive it to be of great importance that the accounts should be correctly stated.

The dividend of the Company is by law payable out of their commercial profits, and therefore it is unfair to the proprietors of India stock, and inconsistent with the law, that those profits, and consequently the capacity to pay the dividend, (without having recourse to the contingent means of a territorial surplus,) should be liable to be affected by an excessive valuation of the coin of India, in repayments from the Territorial to the Commercial branch.

But waiving all considerations of fairness and equity, there still appears no reason whatever for benefiting the Territorial funds by the continuance of these rates of exchange. The surplus of the Company's commercial profits is applicable only to the redemption of the bond debt at home, and the registered debt in India, and thus ultimately the Territorial Department would, in a regular course, derive the benefit which it now derives in the shape of exchange, whilst at the same time, by a correct computation of the rate of exchange, the actual results of the two branches under the separation prescribed by the Legislature would be more accurately ascertained.

Referring to the former discussion of this subject, the Board will observe that it was argued that practical inconvenience might result from departing from a standard of valuation which had existed for many years.

Whatever might at that time have been the force of this and of other objections which were then urged, the Court conceive that they have been removed by recent financial arrangements.

Previously to the last Charter Act, in the transactions between India and England, in which the Company were concerned, a high valuation was affixed to the rupee which could not have been justified except at times in which the balance of trade was considerably more in favour of India than it now is, or is likely again to be. The change of circumstances in the trade with India since 1813, has materially affected the mercantile exchange, and has also led to a necessary alteration in the rate observed by the Company, the value of the sicca rupee in the remittances of interest upon the debt of India having been reduced from 2 *s.* 6 *d.* to 2 *s.* 1 *d.*, and a similar reduction having been recently agreed upon in the rate at which bills are drawn by King's officers in India, in repayment of advances made by the Company to His Majesty's service there.

Old established rates of exchange have therefore been departed from for reasons which are equally applicable to all questions of exchange or remittances between England and India; and with respect to any injurious tendency that might be anticipated from an official alteration in the valuation of the rupee, it is obvious that all inconvenience of that kind has been already sustained in the alteration in the exchange at which interest on the debt is remitted.

The Court trust that enough has been offered to show the propriety of a revision of the rates prescribed by the Board in 1814, and if it shall be admitted, as the Court think it must, that Parliament intended that the sums disbursed in England for the Territorial branch should be employed in India to commercial purposes, the inference would seem irresistible that those sums ought to be repaid in India at the rate at which they could have been remitted.

In accordance with these views, the Court beg leave to submit, for the consideration and approbation of the Board, that from and after the 1st of May 1823 the rate of exchange in repayments to the Commercial Department of sums disbursed in England for the Territorial Department, be governed by the actual ratio current between England and India; and that to prevent the confusion of repeated fluctuations, an arrangement be adopted upon a principle similar to that agreed upon for the supply of funds to His Majesty's service, viz. that the rate for each official year should be fixed (in reference to the actual rate) in the month of December, by the Court of Directors, subject to the approbation of the Board.

I have, &c.
(signed) *J. Dart*, Secretary.

LETTER from *T. P. Courtenay*, Esq. to *J. Dart*, Esq.; dated at the India Board, 18 February 1824.

Sir,

I AM directed by the Commissioners for the Affairs of India to acknowledge the receipt of your letter of the 15th instant, calling the attention of the Board to various observations and suggestions of the Court of Directors in reference to the rates of exchange observed in transactions

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transactions between the Territorial and Commercial branches of the affairs of the East India Company, and proposing that an alteration should be made in those rates from and after the 1st May 1823, in order to assimilate them to the actual mercantile rates current between England and India.

The Board conceive that the Company, in their commercial capacity, are justified in considering sums advanced annually from the commercial funds in England as an amount to be applied in India to commercial purposes, and that the conversion of these sums into the Indian monies should be effected at rates of exchange, by which the Commercial branch will not sustain a loss.

But if it is considered by the Court that the Legislature intended the repayments in India to be made at rates of conversion corresponding with the "mercantile exchange," or "at the rate at which they could have been remitted" to India, the Board direct me to observe that that rate was not proposed in the years 1814, 1815 and 1816, when the same subject was fully discussed. At that period a proposition of a very different nature, having reference to the intrinsic value of the precious metals, was brought forward. Whatever may be the average of the mercantile rates which have prevailed, the commerce of the Company enjoyed for several years the advantage arising from the difference in its favour of the medium rates adopted by the Board as compared with those rates; and it would seem scarcely reasonable that an alteration should now be made, because for a time the rates prescribed by the Board have become less favourable.

It appears to the Board, however, by no means clear that the mercantile exchange of the day describes the rate at which the sums in question could be remitted to India. The Court admit, that a demand upon the market for means for the remittance of those sums to India would, to some extent, have affected the exchange; but it may be fairly assumed, that the actual remittance from year to year through any other channel than the Territorial branch of funds to the extent of a million and a half sterling, and frequently of a much larger amount, must be effected on terms widely different from the rates of exchange that may exist between England and India.

From the accounts lately furnished of the present state of the Company's finances, both abroad and at home, it would appear unnecessary at present to enter into the question of the security of their dividends.

The Board cannot coincide with the views of the Court in considering the question of exchange as one comparatively unimportant, on reference to the final appropriation of the surplus commercial profits of the Company, since the same argument would go to release the Board and the Court from that strict attention to the separation of the Territorial and Commercial Accounts, which, as adverted to by the Court, the Legislature has clearly prescribed in reference to the present relation of the Company to the Territory.

Upon the whole view of the subject, the Board do not discover in the observations of the Court sufficient ground to induce them to concur in the proposition contained in your letter.

I have, &c.
(signed) *T. P. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 18 March 1824.

Sir,

I HAVE laid before the Court of Directors of the East India Company your letter, dated the 18th ultimo, and I am commanded to address to you their concern at the intimation which it conveys, that the Board of Commissioners for the Affairs of India do not discover sufficient ground to induce them to concur in the proposition contained in my letter of the 15th January last, viz. that from and after the 1st of May 1823, the rate of exchange in repayments to the Commercial Department of sums disbursed in England for the Territorial Department, be governed by the actual rate current between England and India, and that to prevent the confusion of repeated fluctuations, an arrangement be adopted upon a principle similar to that agreed upon for a supply of funds for His Majesty's service, viz. that the rate for each official year should be fixed (in reference to the actual rate) in the month of December by the Court of Directors, subject to the approbation of the Board." The Court remark, however, with much satisfaction, that the Board have recognized the principle, "that the Company in their commercial capacity are justified in considering sums advanced annually from the commercial funds in England, as an amount to be applied in India to commercial purposes, and that the conversion of these sums into the Indian monies should be effected at rates of exchange by which the Commercial branch will not sustain a loss;" and as a just application of that principle is the utmost for which the Court have any desire to contend, they persuade themselves, that although the Board do not concur in the specific proposal which has been submitted to them, yet that an arrangement may be adopted, founded upon the principle in which the Board and the Court are agreed.

It is observed in your letter, that "whatever may be the average of the mercantile rates which have prevailed, the commerce of the Company enjoyed for several years the advantage arising from the difference in its favour of the medium rates adopted by the Board, as compared with those rates, and it would seem scarcely reasonable that an alteration should now be made, because for a time the rates prescribed by the Board have become less favourable." The Court admit, that in some of the years which have elapsed since 1814, the rates prescribed

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scribed by the Board operated beneficially on the Commercial branch; in other of those years, however, the effect was the reverse; such fluctuations were the natural result of a fixed rate of exchange, computed upon the principle of its being the medium between the maximum and the minimum of the actual rates contemplated at the time of fixing it. The practical effect, therefore, of the arrangement prescribed by the Board cannot be fully ascertained by an examination of the accounts of any particular year or years, but can only be correctly known by an average of the accounts of several years, and from the best information which the Court have been enabled to obtain, they are fortified in the conviction expressed in my letter of the 15th of January, "that taking the average since 1814, the Commercial branch has, under the operation of the prescribed rates, sustained a considerable loss."

But even were the fact assumed by the Board correct as respected not only one or more years, but the whole period since 1814, the Court must still be permitted to differ from the Board in their inference, "that it would seem scarcely reasonable that an alteration should now be made, because for a time the rates prescribed by the Board have become unfavourable."

If experience has shown that the prescribed rates have led to incorrect results, the propriety of revising them cannot surely be made to depend upon the effects which an erroneous practice may have had upon either the Territorial or the Commercial branch. Those effects might possibly call for a revision of the accounts retrospectively, but could never justify the continuance of an incorrect system.

But further, if since the system was adopted, circumstances affecting the exchange between England and India have materially varied, it will hardly be contended that because a rate of exchange fixed under other circumstances has had a particular effect at a particular period, no alteration should be made in that rate to adapt it to the altered state of things.

Such an argument would be quite inconsistent with the proceedings of the Board and the Court, in adapting to the present state of the exchange the rates observed in the reimbursement of funds supplied for His Majesty's service in India, and in the remittance of interest on the registered debt.

Suppose that in the discussion regarding the supply of funds for His Majesty's service, when, in consequence of the fall of the exchange, it was proposed by His Majesty's Government that a reduction should take place in the rate of exchange at which bills were drawn in repayment of advances made in India, the Court had objected, (and the objection would have been perfectly consistent with the fact), upon the ground that in one or more of the years since the former arrangement was adopted, the Government had benefited at the expense of the Company, would the objection for an instant have been admitted? But far from urging such an objection, the Court at once felt the propriety of a revision of the arrangement, and consented that the advances should be repaid at a rate to be annually fixed in reference to the current rate.

The Court apprehend that it has escaped the Board's notice, that when the rates in question were prescribed professedly as medium rates, the actual rate had fluctuated between 2 *s.* 9 *d.* and 2 *s.* 3 *d.* the sicca rupee; that the fluctuation for a considerable time past has been between 2 *s.* 1 *d.* and 1 *s.* 9 *d.*; and consequently, that the prescribed rate of 2 *s.* the current rupee, being upwards of 2 *s.* 3 *d.* the sicca rupee, has ceased to be a medium rate. Hence it is clear, that should the Board determine still to preserve the principle of a medium rate, an alteration in the amount of the rate is indispensably necessary.

The Board observe, that it is "by no means clear that the mercantile exchange of the day describes the rate at which the sums in question could be remitted to India. The Court admit that a demand upon the market for means for the remittance of those sums to India would, to some extent, have affected the exchange; but it may be fairly assumed that the actual remittance from year to year through any other channel than the Territorial branch, of funds to the extent of a million and a half sterling, and frequently of a much larger amount, must be effected on terms widely different from the rates of exchange that may exist between England and India."

Upon this observation the Court remark, first, that it relates not to the principle of their proposal, but to the degree in which it should be applied; and secondly, that if the transaction were solely one of commerce, it must be admitted that the augmented demand for remittance would materially affect the market rate; but it has possibly not occurred to the Board that the Territory requires a remittance to England from India to the extent that the Commerce requires a remittance from England to India, and therefore that the effect upon the market would be nearly balanced.

Let it be supposed that the Territorial and Commercial branches were entirely unconnected. In that case the Territorial would remit, through private channels or by a consignment of bullion, the funds required for disbursement in England, and the Commercial branch would adopt the same mode of providing such funds as might be required for commercial purposes in India beyond the proceeds of exports. If the amount remitted by the Territorial branch to England were the same as that remitted by the Commercial branch to India, (and this is practically the effect of the existing arrangement), there would be no variation in the balance between the countries, and consequently the operation would not materially, if at all, affect the market rate of exchange.

The Board further observe, from "the present state of the Company's finances both abroad and at home, it would appear unnecessary at present to enter into the question of the security of their dividends;" but if, as the Court apprehend to be the case, the funds from which the dividend is by law payable are subjected to loss by the observance of an

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arbitrary and erroneous rate of exchange, the present capacity of those funds to pay the dividend, notwithstanding such loss, cannot possibly afford any argument why the error should not be corrected, and the proprietors of East India stock possess the full amount of security intended for them by Parliament.

Upon the concluding observation of your letter I am instructed to state, that the Board are under a misapprehension in supposing that the Court consider "the question of exchange as one comparatively unimportant in reference to the final appropriation of the surplus commercial profits of the Company;" or that they have any wish to depart from strict attention to the separation of accounts prescribed by the Legislature. On the contrary, the object of the Court in this discussion is to impress the Board with the importance of the question of exchange, and to persuade them to admit of the correction of an erroneous system; and in adverting to the final appropriation of the commercial profits of the Company, the Court's intention was merely to show that the correction of that system would not ultimately affect the Territorial branch; or, in the words used in my letter of the 15th of January last, that "the Territorial Department would, in a regular course, derive the benefit which it now derives in the shape of exchange;" and further, that by a correct computation of the rate of exchange, the actual results of the two branches, under the separation which Parliament has directed, would be more accurately ascertained.

After the most deliberate attention which the Court have been enabled to pay to this subject, they are strongly confirmed in the propriety of the alteration which they have proposed in the rate of exchange observed in transactions between the Territorial and Commercial Departments. They trust that the statements now offered will remove the objections urged in your letter to that proposal; and that upon re-consideration the Board will consent to the adoption of it. At the same time, should the Board be of opinion that the Commercial branch may be secured from loss in these transactions in a mode less objectionable to the Board than that which has been suggested, the Court trust that they shall be favoured with a communication explanatory of the Board's sentiments to that effect.

I have, &c.

(signed) *J. Dart*, Secretary.

LETTER from *T. P. Courtenay*, Esq. to *J. Dart*, Esq.; dated India Board, 6 August 1824.

Sir,

I AM directed by the Board of Commissioners for the Affairs of India to acknowledge the receipt of your letter dated 18th March last, relative to the rate of exchange for the conversion of the Indian monies into sterling in the accounts between the Territorial and Commercial Departments, in reply to my letter of 18th February last, which stated that the Board did not discover sufficient ground to induce them to concur in the proposition of the Court.

On reference to former proceedings, it will be seen that this subject has been repeatedly and maturely considered by successive Boards. The attention of the Court was first drawn to the question of exchange between the two departments in the observations upon the proposed plan for the separation of the accounts of the Company during the period of the new arrangement then about to commence, which accompanied my letter of the 24th February 1814. The Court proposed, on the 4th June following, the adoption of the intrinsic value in bullion of the Indian monies in *all* the accounts and statements required by the Act. The decision of the Board was communicated by my letter to Mr. Cobb, dated 30th June 1814, that the rates of exchange should be definitively fixed at 2*s.* the current rupee, 8*s.* the pagoda, and 2*s.* 3*d.* the Bombay rupee; and that they should not be left to be governed by the fluctuations of the times, which decision became part of the amended plan prepared agreeably to the 64th section of the Act.

A further representation on this subject was made by the Court in the letter from Mr. Cobb, dated 16th May 1815; but the Board thought fit to confirm their former decision by my letter to Mr. Cobb, dated 3d August following.

Upon the appointment of a new Board application was again made by the Court, by Mr. Dart's letter of 17th July 1816, for a revision of the Board's determination.

My reply, dated the 15th August 1816, stated that the Board "did not think it expedient or proper to reverse the decision of the late Board."

I am directed by the Board to acquaint you, for the information of the Court, that after the most mature deliberation upon the proposition now made by the Court for adopting rates governed by the mercantile exchange of the day, they are decidedly of opinion that no alteration should take place in the rates of exchange established at the commencement of the present arrangement with the Company, and contained in the amended plan for the separation of their Territorial and Commercial accounts, which accompanied my letter of 30th June 1814.

I am, &c.

(signed) *Thomas P. Courtenay.*

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LETTER from *J. Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 14 October 1824.

Sir,

IN reference to your letter of the 6th August, stating, in reply to that which by command of the Court of Directors of the East India Company I had the honour to address to you on the 18th March last, that the Board of Commissioners for the Affairs of India are decidedly of opinion that no alteration should take place in the rates of exchange established at the commencement of the present arrangement with the Company, and contained in the amended plan for the separation of their Territorial and Commercial accounts, which was approved by the Board on the 30th June 1814, I am commanded to transmit to you, for the purpose of being laid before the Board, a Minute of the Court, containing a formal Protest, which on the 25th August last they unanimously resolved to record against the decisions passed by the Board on this subject, and to which all the Directors have subscribed their names, with the exception of the Honourable William Fullarton Elphinstone, who has for some time been prevented by severe indisposition from attending the meetings of the Court.

I have, &c.
(signed) *J. Dart*, Secretary.

Mem.—Copy of the Protest of the Court, referred to in the foregoing letter, has been printed in the Appendix to the First Report of the Select Committee of 1830, No. III. p. 98.

Extract LETTER from the Right hon. Lord *Ellenborough* to the Chairman and Deputy Chairman of the East India Company; dated India Board, 13 October 1829.

YOU observe that every depression in the rate of exchange must necessarily augment the cost to the Company in realizing in England the sum expended on the Territorial account. Undoubtedly it would have that effect if the remittances of the Company were made in bills; but those remittances being made in goods, they are not directly affected by the rate of exchange, although that rate will probably on an average of years so far correspond with the profit to be realized by remittances as to mark in some measure by its variations the changes which may occur in the amount of that profit.

Until the year 1818–19 the remittance made by the Company in goods was more favourable than that made by means of bills; and in three out of the 10 years since 1819–20 it has likewise been more favourable. Taking the average of the whole period, the articles through which the remittance has principally been effected, namely, raw silk and indigo, have realised a rate exceeding that realised by bills.

Until 1819–20 the rupee remitted directly from India in goods produced more to the Commercial branch than had been advanced by it for the Territorial branch, according to the rate of exchange between the two branches of your accounts fixed by the Board in 1813–14. And here I must observe, that in speaking of loss or profit on remittance from India, you always speak as if the whole of that remittance were made directly in goods from that country, throwing out of consideration the sums, now, indeed, small in amount, which are at a rate of exchange fixed every year, repaid to the Company by the King's Government in England for advances made for the King's service in India, and further neglecting to advert to the circumstance that a very large portion of that remittance, calculated by you at one million a year, is made through China, and comes to this country with all the large and certain profit secured to the Company by the monopoly of the China trade. If at the commencement of the present Charter, two crore and 40 lacs of rupees would produce 3,000,000 *l.*, the exchange fixed by the Board must at that time have been extremely favourable to the Commercial branch*; and while bullion can be remitted by the Company at a charge of five per cent, and by individuals at a charge of eight per cent.†, and while a remittance in bullion at the latter rate is less favourable than a remittance in bills, I cannot allow that it could be fairly assumed in argument, that a disbursement in India of three crores and a half of rupees is now required to effect a remittance of 3,000,000 *l.*, even were it necessary, as it is not, to make the whole remittance directly from India.

Extract LETTER from the Chairman and Deputy Chairman of the East India Company to the Right hon. Lord *Ellenborough*; dated East India House, 12 November 1829.

THE Court cannot close this letter without remarking upon the statements and observations which your Lordship has incidentally made respecting the effect of the rates of exchange prescribed by the Board as a part of the plan for the separation of the Territorial and Commercial branches of the Company's affairs, and against which the Court have frequently and earnestly remonstrated.

The object of Parliament in directing the separation was, that the financial results of the Territory and the Trade might be distinctly and accurately exhibited, but this object is altogether defeated by the use of the arbitrary and erroneous rates of exchange.

Advances are made for the use of the Territory out of the Commercial funds in England, which advances are by law repayable in India, to be there used by the Commercial branch as the Court may direct; but by the observance of the Board's rates a portion only of the sums

* Profit in India on a payment of three millions, 18,62,068 rupees.

† A remittance of 3½ crores, at a charge of 8 per cent, would produce 3,295,938*l.*

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Rates of Exchange between the Territorial and Commercial Branches.

sums advanced is repaid. An example shall be given which will show to your Lordship how the system works.

The Company pay annually to the King's Government 60,000 *l.* for half-pay and pensions of His Majesty's forces serving in India, which sum is by law chargeable on the Territorial revenues.

The said sum of 60,000 *l.* is paid in the first instance out of the Company's Commercial funds in London, and the Indian Territory repays it with the sum of 5,17,241 sicca rupees, that being the amount in the currency of India, at the rate prescribed by the Board, of 2 *s.* the current rupee, calculated at 16 per cent. less than the sicca rupee. The sum of 5,17,241 sicca rupees if remitted to England would produce, at the rate of 1 *s.* 9.07 *d.* per rupee, (that being the average of the aggregate of the Company's remittances from India, whether by goods, bullion or government bills, in the last three years,) 45,409 *l.*, thereby occasioning a positive loss to the Commercial funds upon this transaction of 14,590 *l.* Hence it is clear, that where the law has provided for the charge upon the Territory of 60,000 *l.* per annum, the Territory pays no more than 45,409 *l.*, and that the Commercial branch is made to pay the difference.

We earnestly invite your Lordship's attention to this part of the subject, with the view to the correction of a system so opposed to sound principle and to the spirit of Parliamentary enactments. It matters not, in the Court's judgment, whether the practice has at particular periods been favourable to the Territorial or to the Commercial branch: the rates have been, and are untrue, either as medium or as actual rates; and therefore the Court submit, that it is due to both branches of the Company's affairs, and to Parliament, that the error should be corrected and the accounts readjusted upon sound principles for the whole period since the separation took place.

Extract LETTER from the Right hon. Lord *Ellenborough* to the Chairman and Deputy Chairman of the East India Company; dated India Board, 8 January 1830.

I HAVE the honour to acknowledge the receipt of your letter of the 12th November last, in which you advert to the fixed rate of exchange observed in the accounts between the Territorial and Commercial branches of the Company's affairs, and propose that what you consider the error in that rate of exchange should be corrected, and the accounts readjusted upon sound principles for the whole period since the separation between them took place.

Before I advert to the proposition with which your letter concludes, I must notice the incorrectness of the example adduced by you to show the working of the system you desire to change.

You suppose the sum of 60,000 *l.* paid from Commercial funds in England on the Territorial account, to be repaid in India with 5,17,241 sicca rupees, at the fixed exchange of 2 *s.* the current rupee, and these rupees to produce when remitted to England no more than 45,409 *l.*, thereby occasioning a positive loss to the Commercial funds upon this transaction of 14,591 *l.*; but I am again obliged to call to your recollection, that in calculating the outturn of the rupee remitted from India, you still overlook the fact, that about two-fifths of your remittances from India have been made through China, with all the profit secured to the Company by the monopoly of that trade.

Three-fifths of the 5,17,241 rupees which are by the supposition received in India would, according to your calculation, founded upon the average aggregate remittance direct from India during the last three years, produce only 27,246 *l.*, but the remaining two-fifths remitted through China would, at the average rate at which bills have been drawn from Canton upon the several Indian governments during the same period, produce 35,574 *l.*, and these sums would together make 62,820 *l.*, thereby occasioning a positive gain to the Commercial funds by this transaction of 2,820 *l.*

In July 1823 the Court proposed that after the 1st May in that year a new rate of exchange should be adopted between the Territorial and Commercial Departments. You now go further, and propose that the accounts between the two departments should be readjusted on "sound principles" from 1814; but even were the Board disposed to consider such an arrangement, which would commence by unsettling the accounts for more than 15 years, there would surely be not a little difficulty in determining what were the "sound principles" upon which they ought to be readjusted.

In 1814 it was the opinion of the Court, that the sound principle was to be found in the conversion of the currencies of India and of England into each other, according to their intrinsic value, at the price of the London Mint.

In 1823 the Court no longer contended for that principle, but discovered an "irresistible inference" that the sums advanced in England ought to be repaid in India at the rate at which they could have been remitted; yet at the same time seeing the "confusion of repeated fluctuations" to which such an arrangement would lead, they suggested, as a corrective, that the rate of exchange for each official year should be fixed in the month of December.

The established rate of exchange exhibits the revenues and charges of India as they have been represented to Parliament for 41 years; and it is not at the moment when the whole state of your affairs is coming under the consideration of the Legislature, and within a few years of the expiration of the Charter, that I should consider myself justified in departing from the principle adhered to by all my predecessors; unless you should be able to show, that under the present circumstances of your trade the practical working of the existing system produces effects to which it has not led at former periods, and which are not in accordance with the clear intention of the Legislature.

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Rates of Exchange between the Territorial and Commercial Branches.

Extract LETTER from the Chairman and Deputy Chairman of the East India Company, to the Right hon. Lord *Ellenborough*; dated 11 February 1830.

WE have had the honour to receive and to lay before the Court of Directors of the East India Company your Lordship's letter of the 8th ultimo.

Upon the subject of the rates of exchange, which the Board directed to be observed "as part of the plan for the separation of the Territorial and Commercial branches of the Company's affairs," your Lordship is pleased to express a disposition to revise these rates, if it can be shown that "the practical working of the existing system produces effects to which it has not led at former periods," and which are not in accordance with the clear intentions of the Legislature.

The Court beg leave to observe, that if the rates in question had been computed upon any principle which the Court could have considered sound and accurate, they most assuredly would not at any time have remonstrated against the use of them, whatever might have been the financial exigency of the Commercial branch.

In urging so repeatedly an alteration of the rates, the Court have been mainly influenced by the conviction which they still feel, that so long as the rates now in use continue to be observed, the Act of the Legislature, which requires the Court to place before Parliament the real situation of the Company's affairs in the separate departments of Territory and Trade, must be defeated.

The necessity for a revision of this subject has of late years indeed become the more imperative, in consequence of the serious and progressive reduction of the net proceeds of the Company's sales, arising out of the general depreciation of every kind of produce.

In the first five years of the present system of accounts, there remained, after paying all charges, including the dividend to the proprietors, an average commercial surplus of 777,441 *l.* per annum. In the two succeeding periods of five years, the averages of the surplus were 409,090 *l.* and 269,447 *l.* respectively; and in the last year of the latter period the surplus was no more than 62,895 *l.*

Such results are, however, arrived at after using the rates prescribed by the Board, and as those rates far exceed the mercantile exchange, the apparent surplus is much less than it has usually been. Your Lordship is aware that the Court are advised by their late standing Counsel, that they are not legally required to observe the Board's rates in their accounts sales; but that such accounts may be made up at the mercantile exchange. The effect of this alteration will be, that the apparent will correspond with the real amount of sale proceeds; and which, in that case, there can be little doubt will still leave a considerable surplus after satisfying all commercial obligations.

The Court are fully aware that the observance of different rates in the accounts between the Territory and Commerce, and in the accounts sales, will cause a discrepance which it would be very desirable to avoid; and the Court trust, that in the statement which they have now made of the falling off of the Company's commercial profits, and of the necessity of observing, in the computation of those profits, correct rates of exchange, instead of those prescribed by the Board, your Lordship will see ground for allowing such an alteration as will do justice to the Commercial branch, by securing it from loss in its transactions as agent for the Territorial branch.

The Court cannot admit the charge of inconsistency implied in your Lordship's letter. True it is that their proposal in 1814 had reference to the *bullion* value of the coins, and that of 1823 to their *exchangeable* value; but the former proposal contemplated a *permanent* rate, whilst the object of the latter was a rate to be *annually* settled; besides which, your Lordship will perceive, on referring to the correspondence, that the Court maintained their first proposal until it received the Board's final rejection; and that the second proposal was subsequent on the Board's own proceedings, in sanctioning an alteration in the old rates of exchange as applicable to His Majesty's Government, in their accounts with the Company, after they had themselves assigned the observance of the old rates in those accounts as one of the grounds for rejecting the Court's first proposal.

Neither do the Court partake of the apprehension which your Lordship expresses, that there would be difficulty in determining upon a sound principle for the adjustment of this question; and they think that by referring to the last plan for the supply of funds for the King's service in India, adopted in communication with the Board, your Lordship will discover an apt precedent in the words used by the Lords of His Majesty's Treasury as the ground of the alteration then made, viz. "That the public may derive the full benefit of the actual rate of exchange."

The Court cannot but hope that your Lordship will settle the present question, by extending that principle to the transactions between the Territorial and Commercial branches of the Company's affairs.

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Charge of Interest on Balance due from Territorial to Commercial Branch.

CORRESPONDENCE, &c. relative to the CHARGE of INTEREST on the BALANCE due from the TERRITORIAL to the COMMERCIAL BRANCH of the EAST INDIA COMPANY'S AFFAIRS.

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CORRESPONDENCE, &c.

Extract REPORT of a Joint Committee of Treasury and Accounts of the Court of Directors of the East India Company; dated 23d January 1818.

TWO articles are introduced in these accounts which the Committee deem necessary to discuss at some length. The first is, the charge of interest on the balance due from the Territorial branch of the Company's affairs to the Commercial branch.

The Act of the 53d directed that the transactions respectively of the Territory and Commerce should thereafter be kept distinct; and by the 56th section, it was provided that a sum equal to the payments from the Commercial funds at home on account of Territorial charges should be annually applied in India to investment, or remittance to England.

The balance of payments at the close of the year 1814–15, after giving credit to India for the net advances to the Commercial department, was 711,560 *l.* against the Territory; and at the close of the year 1815–16 the balance was increased to 775,721 *l.* Indian interest, at the rate of 6 per cent., has been charged and added to the Commercial profit. This charge against the Territory for interest on the balance the Committee deem to be correct; and as the balance is a debt repayable in India, the Committee think it proper also that the Indian rate of interest be charged.

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Extract LETTER from *Thomas Peregrine Courtenay*, Esq. to *James Cobb*, Esq.; dated 17th February 1818.

Charge of Interest on Balance due from Territorial to Commercial Branch.

2d. THE interest on the balance due from the Territorial branch at the close of the years 1814-15 and 1815-16, not invested for consignment to England, conformably to the provisions of the Act of the 53 Geo. 3. The principle of the charge has not yet been submitted to the Board. The Board desire that an account may be forthwith prepared, exhibiting in detail the manner in which the alleged balance in each year was produced, and the grounds upon which interest thereon is proposed to be charged by the Commercial to the Territorial department.

Extract LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated 12th August 1818.

Vide Appendix 5 to Appendix 19.

THE accounts exhibiting in detail the manner in which the balance due from the Territorial branch is produced, are herewith transmitted (No. 1.) The grounds upon which interest is proposed to be charged by the Commercial to the Territorial department are chiefly as follows:

The Act of the 53d directed a separation of the accounts of the East India Company into the two branches of Territory and Commerce. An exposition of this Act was transmitted to India in a despatch from the Public department, dated 6th September 1813.

The 18th paragraph of this letter states, that "we (the Court) cannot more distinctly explain our views of the sections of the Act which have now been brought under notice, (namely, the 55th and 56th sections), than by observing, that although the management of the whole, as one concern, remains with us, it is requisite that the Political branch should be considered as an affair of Government, the Commercial as that of a mercantile transaction, and by debiting and crediting in account the transactions between them in advances and supplies as if they were absolutely distinct and separate concerns; so that accounts of receipt, expenditure and balance may be duly rendered by each respectively in the way required by Parliament."

It will be observed, that in this despatch the Commercial branch of the Company's affairs is directed to be considered in the light of a mercantile transaction. The Court apprehend that the charge for interest on any balance resulting from such transaction is in strict conformity with the mercantile principle. The Board itself has, in fact, recognised the application of this principle in the approbation of certain paragraphs contained in a Commercial despatch to Bombay, under date the 9th April 1817.

In that despatch the Bombay government was instructed as to the mode of stating the accounts respectively between the Territorial and the Commercial departments; the 7th paragraph of which is as follows:

"We also desire that the charge for interest (interest contained in invoices from Europe) be omitted; for although in the adjustment of payments between the Commercial and Political branches, the charge for interest will justly attach on the balance of those payments, yet this charge must be founded on a general balance of the disbursements respectively made at all the presidencies of India as well as from our home treasury."

The Court are of opinion also, that the charge for interest, and the rate of that interest, may be upheld by another consideration.

By the 56th section of the 53d it is provided, that a sum equal to the payments from the Commercial funds at home, on account of Territorial charges, should be annually applied in India to investment or remittance to England.

In the transactions of the years 1814-15 and 1815-16, the Territory has not fulfilled these directions; a large balance is due to the Commerce, and to the extent of that balance has the Territorial branch been saved the necessity of borrowing money in India.

It must also be recollected that the competency of the Indian governments to repay the advances made from the Commercial branch has been, and may again be, materially circumscribed by the disbursements of those governments on account of His Majesty's service. These disbursements carry interest, for which interest the Territory obtains credit; and if the balance due to the Commercial branch did not bear interest, that branch would suffer at a time when funds of a sufficient magnitude to liquidate its demands on the Territory were running at an Indian interest on the public account.

Extract PAPER of OBSERVATIONS which accompanied Mr. *Courtenay's* Letter to Mr. *Dart*, dated 30th April 1823.

ACCOUNT No. 1, contains another item which the Board cannot admit without question; this is the charge for "interest on the balance of the account current between the Territorial and Commercial branches." In carrying into execution the 64th section of the Act of 1813, the Board have not, as yet, admitted a charge of this nature; but whatever may be ultimately arranged respecting it, the charge is obviously inadmissible in its present form, among *payments actually made*, and itself subject with them to the charge for interest, so that interest upon interest is claimed.

The rate at which interest is charged, being the Indian rate upon advances made in England, is equally objectionable.

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Charge of Interest on Balance due from Territorial to Commercial Branch.

Extract LETTER from *Joseph Dart*, Esq. to *Thomas P. Courtenay*, Esq.; dated East India House, 18th September 1823.

Objections of the Board:

THE Board object to the charge for interest on the balance of the account current between the Territorial and Commercial branches, as not yet admitted in carrying into execution the 64th section of the Act of 1813, obviously inadmissible in its present form, among *payments actually made*, and subject with them to the charge of interest, so that interest upon interest is claimed. The Indian rate upon advances made in England is equally objectionable.

Observations of the Court in reply thereto:

IN a letter addressed to the Board by order of the Court, and dated the 12th August 1818, the question of interest upon the balance due from the Territory to the Commerce, and the rate of such interest, was very fully discussed; and as, during a period of five years, no refutation of the argument used in that letter has been urged, the court concluded that the Board admitted their validity: to that letter the Court beg leave to refer the Board on the present occasion. With respect to the Board's objection that this charge is inadmissible among *payments actually made*, the Court reply, that the mode of stating the account is in strict conformity with the mercantile usage; for as, by the 56th section of the Act of the 53d, the account of Territorial charges must be taken to be adjusted annually; and moreover, as it has not been denied that interest is fairly chargeable upon the balance of the account, if this interest is not discharged when due, it becomes to all intents and purposes a further loan, and necessarily augments the principal of the debt.

LETTER from *Thomas Peregrine Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 15th March 1824.

Sir,

ACCORDING to the intimation contained in the observations which accompanied my letter of 1st December last, I am directed by the Commissioners for the Affairs of India to reply to that part of your letter of the 12th August 1818 which relates to the charge of interest on the balance due by the Territorial to the Commercial branch of the affairs of the East India Company.

Although, according to the letter of the Act of the 53d of the late King, c. 155, no provision is made for the liquidation by the Territory in subsequent years of any deficiency in the annual repayment of Territorial charges defrayed in England, the Board, in reference to the spirit of the Act, have no hesitation in admitting the claim of the Commercial branch to the eventual repayment of such charges, and have accordingly sanctioned observations to that effect in the Court's despatches to their Indian governments.

On similar grounds the Board will not object to the charge of interest due, either to the Commerce or to the Territory, provided that it is calculated on such principles, and at such rate, as they can approve.

The rate adopted by the Court is the Indian rate of 6 per cent., but the Board conceive that, in reference to advances made in this country, the English rate of interest is the only one applicable to the case, and that which accords with the mercantile principle contended for by the Court. If the Company have been put to any expense for the provision of the necessary funds, that expense must have been incurred in England, and cannot have been affected by any saving that may be supposed to accrue to the finances in India, as argued in your letter; neither would it be equitable that the Territory should be placed in a more unfavourable situation than if that branch had actually borrowed money in this country for the liquidation of demands here chargeable upon it.

A question will next arise as to the rate to be adopted as the English rate. Taking into consideration the terms upon which money has been raised in the market for several years past, the Board are of opinion that the maximum rate of 5 per cent. could not be admitted, but they would not object to acquiesce in the rate of interest which has been allowed by the Company at the corresponding periods upon their bond debt in England.

They cannot, however, admit the principle adopted by the Court, whereby compound interest is charged; compound interest was not allowed to the Company in the account with His Majesty's Government, neither would it be admissible in private mercantile transactions.

The Board conceive, therefore, that simple interest should be calculated in a separate account, in the manner adopted with regard to the account with Government, as contained in the Appendix to the Reports of the Committees of the House of Commons in 1805 and 1808.

In the observations which accompanied my letter of 30th April last, as well as in my letter of 23d April and 7th May last, relative to the Territorial finance draft to Bengal, No. 232, an objection was made to the admission of such a charge as that now under discussion among *payments actually made* on account of the Territory; and the Board continue to be of opinion, that whenever the charge is introduced, either in the Company's accounts,

accounts, or in despatches to the Indian governments, it should be confined to the general account between the Territorial and Commercial branches. The Board's objection will thus be obviated, and the principle contended for by the Court effectually preserved.

I have, &c.
(signed) *Tho. Per. Courtenay.*

LETTER from *Joseph Dart*, Esq. to *Thomas Peregrine Courtenay*, Esq.; dated East India House, 25th March 1824.

Sir,

I AM commanded to acknowledge your letter of the 15th instant, containing the Board's observations on the charge of interest on the balance due by the Territorial to the Commercial branch of the affairs of the East India Company.

Previously, however, to observing upon the principal object of your letter, the Court deem it proper to advert to that part of it which incidentally alludes to the absence of a provision in the Act of the 53d of His late Majesty for liquidation by the Territory, in subsequent years, of any deficiency in the annual repayment of Territorial charges defrayed in England.

It appears to the Court, from the preamble of the 56th section of that Act, that the main object of that section was to protect the Commercial funds of the Company from embarrassment; and, in view to that object, the direction for annual repayment of Territorial charges is plain and positive. If, therefore, from any cause, one possibly of great accommodation to the Territory, the annual payment has not been fully made, the Court conceive that the liquidation of the arrear cannot become matter of doubt, without frustrating the palpable intention of the Act.

With respect to the main subject of your letter, as the Board sanction the charge for interest on the balance of the account between the Territory and the Commerce, it is unnecessary to advert to that point. But the rate of interest, and the mode of calculation, introduced into the accounts transmitted by the Court, are objected to. The Court, therefore, will shortly state the reasons which influenced them in adopting the mode of calculating the interest comprehended in those accounts.

It appeared to the Court, that as, by the 56th section of the Act, the repayment of Territorial charges was to be made *annually in India*; if for the advantage of the Territory the demand was forborne, the Commercial branch should be regarded as a lender of so much capital in India, and became entitled to the ordinary remuneration for its use. The finances of India, on various occasions since 1814, have derived considerable advantage from the use of this Commercial fund. In the absence of that fund the Indian governments would at times have been constrained to borrow to a much larger extent, and at a higher rate of interest than has been charged in the accounts with the Commerce. In the year 1818, indeed, when a considerable sum was due to the Commerce, the Indian government raised money for the public service, paying an interest, in effect, of more than 13 per cent. for the first year.

Nor has the allowance of six per cent. interest been an adequate recompence to the Commerce. In more than one instance have the advantages for investment been suspended at a time when Indian imports met a ready and profitable sale in England.

In 1815–16, also, the Court were constrained to supply the Canton Treasury with bullion from England, at high prices, and consequent great sacrifice, when a large debt was owing by the Territory to the Commerce.

The Board observe, that it would not be equitable to place the Territory in a more unfavourable situation than if that branch had borrowed money in England. This alternative, however, could not have been adopted, without a special legal provision; and the Court's arguments are grounded on the law as it at present exists.

With respect to compound interest, the Court, in their letter of the 18th September last, have in effect contended, that upon the adjustment of an account in which, amongst other things, interest is charged, if the balance be not liquidated, the interest contained in that balance will form a portion of a new debt, and thus constitute capital on which interest will be chargeable on a subsequent adjustment. This practice is constantly admitted in private mercantile transactions in this country, nor is it opposed to the practice of India itself, as will appear by reference to a Bengal Regulation of 1793, (No. XV. s. 7,) in which compound interest is distinctly recognised.

The Board have adduced the example of the Government accounts as adverse to the principle of compound interest; alleging, that in their view, simple interest should be charged in the manner adopted with regard to the account with Government, as contained in the Appendix to the Reports of the Committee of the House of Commons in 1805 and 1808. But it cannot have escaped the Board's recollection, that upon the final adjustment of the Government account in 1822, it was contended, on the part of the Crown, with the view to abate the Company's claim, about 450,000*l.*, that a balance should be struck as on the 1st January 1812; by which operation the higher rate of Indian interest would be saved to the Public, and with which they had been charged in the account submitted by the Company's officers, such account having been formed upon the principle recognised in 1805 and 1808. It is quite obvious, therefore, that the balance of the Government account, thus ascertained, to the 1st January 1812, would carry interest to the period of the final adjustment; and as far as interest constituted a part of that balance, compound interest became a necessary consequence.

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Many instances, also, in the Company's transactions, may be enumerated, in which a compound interest has been allowed. It may be merely requisite to advert to the Company's separate fund, as recognised in 1793, and the more recent recognition in the calculations of the Carnatic fund. The Court have thus thought it right to state the grounds and arguments by which, in their opinion, the introduction of an Indian rate of interest into the accounts between the Territory and the Commerce may be justified; and although the Court think the Board's arguments for a different principle do not successfully combat the Court's views, they yet do not hesitate to acknowledge that it is a point on which a difference of opinion may very fairly be entertained. Considering therefore that the Legislature, in directing a separation of accounts, still preserved a community of interest between the two branches of the Company's affairs, and, moreover, being desirous that this long protracted discussion should be brought to a termination, the Court will accede to the principle of adjustment proposed by the Board in your letter of the 15th instant, as far as regards the rate of interest; viz. that interest be charged upon the annual balance due from the Territorial to the Commercial branch, at the rate payable upon the Company's bond debt in England, at the several annual periods since 30 April 1814, when the balance shall be struck; but with respect to its compound operation, the Court must still contend, that unless the annual repayments by the Territory to the Commerce shall in the first instance be applied to discharge the interest annually accruing on the account, such interest shall be held to augment the principal of the debt, to carry interest upon the subsequent adjustment.

I have, &c.
(signed) *J. Dart.*

LETTER from *T. P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 17th April 1824.

Sir,

I AM directed by the Commissioners for the Affairs of India to acknowledge the receipt of your letter, dated 25th ultimo, in reply to my letter of 15th ultimo, which stated the principles on which the Board thought it right to admit the charge of interest on the amount due from the Territorial to the Commercial branch of the affairs of the East India Company.

The Board cannot concur in the reasoning of the Court in favour of the Indian rate of interest, and the charge of compound interest; and in reference to the latter, conceive that the instances adduced of that mode of charge do not bear upon the case in question. In respect to the rate, they are relieved from the necessity of further discussion by the concession made by the Court at the close of your letter.

It is now understood that the rate of interest payable on the Company's bonds in England, at the close of each official year, will be the rate applied to the account between the Territorial and Commercial branches. But, in respect to compound interest, the alternative proposed by the Court would subject the Territorial branch to an equal amount of charge, in a different form; and the Board continue to be of opinion, that the interest on the account for past years should be calculated separately, upon the principle adopted in the account with His Majesty's Government; they are also of opinion, that in future the accounts may be adjusted soon after the expiration of the year in which the advances and repayments are respectively made.

According to the principle above referred to, interest for the past should be calculated from the middle of each year, which the Board are inclined to think, as the above advances are made from time to time through the whole year, would be the more correct mode of calculation.

The Board are further of opinion, that no interest should be allowed upon sums due from the Territory to the Commerce; repayment of which, though the Territorial funds are sufficient to make it, is delayed by the want of a Commercial demand for it. If cash, properly belonging to the Commercial branch, lies idle in the Treasury at Calcutta, the Commerce and not the Territory ought to sustain the loss.

With these qualifications, the Board are ready to concur in the Court's propositions.

I am, &c.
(signed) *T. P. Courtenay.*

LETTER from *J. Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 17th June 1824.

Sir,

YOUR letter, dated 17th April last, conveying the Board's further observations upon the proposed charge of interest on the amount due from the Territorial to the Commercial branch of the affairs of the East India Company has been laid before the Court of Directors.

The Court see, with regret, that the arguments contained in my letter of 25th March last, and in those previously addressed to the Board upon the same subject, have failed in obtaining the Board's concurrence in the mode of charging the interest on the balance of the account current between the Territory and the Commerce.

It has not been denied, that by the 56th section of the Act of the 53d of the late King, the adjustment of the advances was to be an annual adjustment; by the 18th paragraph of the

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the Court's circular letter to India of the 6th September 1813, (an alteration introduced by the Board) the future operation of the two branches were directed to be viewed, the Territorial branch as an affair of Government, the Commercial branch as a mercantile transaction.

The advances, therefore, from the Commerce to the Territory, are to be annually adjusted, and to be treated as a mercantile transaction; and the Court must repeat their conviction, that the proposed introduction of compound interest in the accounts between the Territory and the Commerce is strictly conformable to mercantile usage in England, under the circumstances in which the account is directed to be adjusted.

They think that they have also proved that this principle of adjusting accounts is not irreconcilable with Indian practice, and has been adopted in several cases.

In the instance adduced by the Board as an example of a contrary practice (the adjustment of the Government account) it appears that the mode of settlement, as contended for by the Government itself, was made upon grounds which distinctly recognised the principle of a compound calculation of interest.

The Court must further observe, that in all cases in which the Commercial branch may be compelled to increase, or has been prevented from reducing, its debts at interest, in England, through the failure of the Territory in making the necessary repayments, the mode of adjustment contended for by the Board would be obviously inequitable.

The interest on the money borrowed in such cases, on the Territorial account, must be periodically provided for out of Commercial funds, whilst the return, on the principle assumed by the Board, is to take place at no certain or definite period.

The Court, therefore, under all these circumstances, cannot abandon their opinion as to the mode of stating the accounts between the two branches in respect to interest, as contended for in their several letters to the Board of 18 September 1823, and 25 March 1824.

Adverting to the period of the year from which interest shall be held to commence, the Court see no objection to the adoption of the Board's suggestion, that it be calculated from the middle of each year.

With regard to the concluding paragraph of your letter, which states "that no interest should be allowed upon sums due from the Territory to the Commerce, repayment of which, though the Territorial funds are sufficient to make it, is delayed by the want of a Commercial demand for it. If cash, properly belonging to the Commercial branch, is idle in the Treasury at Calcutta, the Commerce and not the Territory ought to sustain the loss," the Court must observe, that considering that the Commerce is annually called upon to make advances for the Territory, without reference to the competency of employing the amount of such advances when repaid in Commercial investment, the equity of causing an accumulation of Commercial capital to remain unproductive is not apparent to the Court. The question, however, cannot have any practical operation on the occurrences of past years. The Territory, as has been observed in my letter of 25th March last, has on many occasions withheld the issue of funds to the Commercial branch, when profitable sales might have been made in Europe; nor has the Territory, it is apprehended, ever yet been, nor is it at the present moment, in a state entirely to liquidate the balance due to the Commerce, without creating fresh Territorial debt in India. The demands of Commerce, under the existing difficulties of making remittances, are not likely to effect any material reduction of this balance; if, therefore, the Territory hereafter shall be in possession of funds which may be made applicable to Commercial demands beyond the amount required by the Commercial branch, and if the Board shall still maintain the opinion stated in your letter, the balance ought to be placed at the disposal of the Company's commercial servants in India, so as to afford the opportunity of its being employed in any manner that may guard the Commerce from the loss arising by so much of its capital remaining unproductive.

I have, &c.
(signed) *J. Dart.*

LETTER from *T. P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated India Board, 30th November 1824.

Sir,

IN reference to the correspondence which has passed between the Board and the Court of Directors, in respect to the charge of interest on the amount due from the Territorial to the Commercial branch of the concerns of the East India Company, I am directed by the Commissioners for the Affairs of India to transmit, for the information of the Court, copy of a Case, with the joint opinion of His Majesty's Attorney and Solicitor Generals, relating to the subject.

I am, &c.
(signed) *T. P. Courtenay.*

(Enclosure.)

CASE.

PLEASE to refer to stat. 53 Geo. 3, c. 155, sections 1, 55 and 56, and also s. 64.

A plan for the separation of the Political, or Territorial, from the Commercial accounts of the Company, was adopted and acted upon soon after the passing of the Act, in conformity with the 64th sect., *vide* printed paper left herewith. See Appx. No. 1.

The

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The Company have from year to year made certain payments from their Commercial funds at home on account of Territorial charges, as contemplated in the 56th sect., which charges consist of the following heads:

Pay, &c. to officers of the Company's forces on furlough or retirement.

Passage of military to India.

Political freight and demorage, or charge of freight, &c., incurred on account of the Territories.

Interest and sinking fund on loan from the Public in 1812 (by Act 52 Geo. 3, c. 135).

Political charges general, or charge of the Company's home establishments, &c. incurred on account of the Territories.

Expenses on account of St. Helena and other Settlements.

Stores exported for Territorial purposes.

Payments on account of King's troops serving in India.

Bills of exchange for payment of interest of India debt, &c. &c.

Orders have been addressed by the Court of Directors to their governments in India from year to year, to issue certain sums from the revenues of India, in repayment of the above advances, for investment or remittance, according to the directions of the 56th sect.; but it has occurred in some years, from the existence of war in India, or other causes occasioning urgent demands upon the resources of the governments there, in others from the want of sufficient orders as to the amount or mode of investment or remittance, that the sum paid from the Commercial funds at home for Territorial charges has not been fully issued, as directed by the Act.

The deficiency in the repayment of Commercial funds by the Territorial department has been carried forward from year to year, and a considerable balance is consequently exhibited in the Company's accounts as due to the Commercial branch of their affairs. For the discharge of this deficiency or balance, provision is not made in express terms by the Act, but, without its liquidation, the financial arrangements enacted by the Act will be materially impeded. Payment of this balance from the Territorial revenues is now claimed by the Company, together with interest on the accumulated balance arising from year to year.

Doubts have arisen whether, under the 56th section, the balance above described can be legally charged upon the Indian revenues of following years, and whether, if it is so chargeable, it is competent to the Court of Directors to order, or the Board to sanction, the payment of interest thereon.

Your opinion is requested,

1st. Whether the deficiency of issues from the Territorial revenues in one or more years, in repayment of Territorial charges defrayed from Commercial funds at home, can be legally discharged out of the revenues of following years?—And if it can be so discharged,

2d. Whether interest thereon, howsoever it may be calculated, can be paid from the Indian revenues, consistently with the provisions of the Act of the 53d Geo. 3, c. 155, especially the 56th section?

1st. We are of opinion that the deficiency of the sums issued from the Territorial revenues, in former years, for repaying the Territorial charges defrayed from the Commercial funds, may be made good out of the Territorial revenues of subsequent years.

2d. We think that interest cannot be paid upon such deficiency.

(signed) *J. S. Copley.*
Charles Wetherell.

Serjeant's-Inn, 24 Nov. 1824.

LETTER from *Joseph Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 7 July 1825.

Sir,

I HAVE received the commands of the Court of Directors of the East India Company to acknowledge the receipt of your letter, dated the 30th of November last, transmitting, by direction of the Board of Commissioners for the Affairs of India, copy of a Case, with the joint opinion of His Majesty's Attorney and Solicitor Generals, upon some of the questions which have arisen in the course of the correspondence which has passed between the Board and the Court, relative to the charge of interest in accounts between the Territorial and Commercial branches of the Company's concerns.

The Court direct me to observe, that they perceive with satisfaction that upon the first point submitted to His Majesty's law officers, the opinion delivered is in accordance with the view of the subject previously taken by the Court, and with the practice which has been observed in framing the accounts between Territory and Commerce.

With reference to the terms in which the opinion of His Majesty's Attorney and Solicitor Generals is expressed upon the second point submitted to them, the Court have thought it right to direct that a Case should be prepared for the opinion of the Company's standing counsel. Copy of this Case, and of the opinion of Mr. Serjeant Bosanquet thereon, I am directed to transmit to you for the information of the Board of Commissioners for the Affairs of India.

I have, &c.
(signed) *J. Dart*, Secretary.

(Enclosure.)

OPINION of Mr. Serjeant *Bosanquet*, on the legality of charging Interest on the Balance due from Territory to Commerce; dated 20 June 1825.

Charge of Interest on Balance due from Territorial to Commercial Branch.

AFTER attentively considering this case, the correspondence therein referred to, and the answer of the Attorney and Solicitor Generals to the questions submitted to them, I am humbly of opinion, that a charge of interest upon the account from time to time becoming due from the Territorial to the Commercial branch of the Company's affairs, on account of sums paid out of Commercial funds for Territorial purposes, may lawfully be admitted in the statement directed to be made by the 64th sect. 53 Geo. 3, c. 155, if such a charge shall appear to the Court of Directors and the Board of Commissioners to be fair and just. The manifest object of distinguishing the Territorial and Commercial branches from each other in the accounts, was to ascertain and exhibit the relative situations of the Company's government and its trading concerns, whenever it should be found necessary to treat them as separate interests; the possibility of their actual separation at a future period being necessarily contemplated by the Government and the Company when the renewal of the Charter was under discussion. With this view, it was very correctly stated, in a letter of the Court shortly after the passing of the Act of 53 Geo. 3, viz. on the 6th of September 1813, that the Political branch was to be considered as an affair of Government, and the Commercial as that of a mercantile transaction; and again, in 1817, it was stated, in a letter to Bombay, that in the adjustment of payments between the Commercial and Political branches, a charge for interest will justly attach on the balance of these payments. It must often be convenient to the Company's government that the full amount of advances out of Commercial funds, on account of Territorial charges, should not be immediately repaid by advances in India, since the exigencies of the State may require all the funds which the government can command, and it may be more advisable to suffer the amount due to the Commercial branch to remain as a debt, at a reasonable interest, than to raise money by loan for the purpose of its discharge. But unless a charge of interest can be admitted in stating the accounts, the duty imposed upon the Court of Directors to protect the interests of the proprietors can compel them to insist upon the regular annual discharge of all sums advanced upon the Territorial account, or to narrow the advances upon that account beyond what the general interests of the Company, taking Territorial and Commercial together, may require. In the statement of account between the King's Government and the Company, interest has been allowed; in all mercantile concerns it is charged of course upon advances of money; and when the object is to ascertain what is fairly due from the Indian government to the Indian trade, supposing them to be entirely separate concerns, it appears to me to be reasonable and consistent with the true intent of the statute, to state the account as it would be stated if the transaction had occurred between the Indian government on the one hand and a private merchant on the other.

The actual sum annually advanced in England is the amount which by section 56 is to be repaid in India, and if repaid by the time prescribed, is to be received without interest or any compensation for remittance; but if it is not paid at the time, and is suffered to remain in arrear, it is obvious that a forbearance commences in India from the time when the money was payable, upon which, according to all mercantile principles, interest would accrue.

What the rate of that interest should be is a matter to be discussed and settled by the Court of Directors and the Board of Commissioners, according to what the peculiar circumstances of the case may appear to render just. The money is advanced by the Company in England, where they could only invest it at English interest. On the other hand, the repayment is to be made in India, and in India the forbearance takes place upon which the claim for interest accrues. If the Government, instead of being allowed to retain the debt due to Commerce, were obliged to borrow money to discharge that debt, Indian interest must be paid; if Commerce, instead of receiving the money as soon as it is due, allows it to remain in arrear, the disadvantage of postponing the payment must be proportioned to the rate of interest at the place where the money ought to be paid, and where, if paid, it might be invested. It seems to me, therefore, that mere English interest does not afford a just criterion, either of the benefit received by the Government, or the loss sustained by Commerce, in consequence of postponing the time of payment prescribed by the statute. The rate of interest (if any) which ought to be allowed can hardly be deemed a legal question. If upon reconsideration of the subject the legality of allowing any interest should be admitted, the amount of such interest must be matter of arrangement.

Lincoln's-Inn, 20 June 1825. (signed) *J. B. Bosanquet.*

LETTER from *T. P. Courtenay*, Esq. to *Joseph Dart*, Esq.; dated 12th July 1825.

Sir,

IN reference to your letter of the 7th instant, enclosing the opinion of Mr. Serjeant Bosanquet on a case submitted to him relative to the charge of interest on account between the Territorial and Commercial branches of the Company's affairs, on which subject the opinion of the Attorney and Solicitor Generals had previously been taken, I am directed by

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by the Commissioners for the Affairs of India to request, that you will convey to the Court the Board's opinion, that the law officers of the Crown should be invited to confer with the Company's standing counsel on the points in question.

I have, &c.
(signed) *T. P. Courtenay.*

LETTER from *T. P. Courtenay*, Esq. to *J. Dart*, Esq.; dated 23d December 1825.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will draw the attention of the Court of Directors to my letter, dated 12th July last, suggesting that the law officers of the Crown should be invited to confer with the Company's standing counsel on the points relative to the charge of interest on the accounts between the Territorial and Commercial branches of the Company's affairs, on which a difference of opinion appeared to exist.

The Board are desirous that this long-pending question should be brought to an early conclusion, and request that a reply to my letter may be forwarded with as little delay as possible.

I have, &c.
(signed) *T. P. Courtenay.*

LETTER from *T. P. Courtenay*, Esq. to His Majesty's Attorney and Solicitor Generals; dated 11th July 1826.

Gentlemen,

A CASE was submitted to you, on the part of the Commissioners for the Affairs of India, in the year 1824, relative to the charge of interest on the accounts between the Territorial and Commercial branches of the affairs of the East India Company. It has been subsequently suggested by the Board, that the opinion on that case should be the subject of a conference between you and Mr. Serjeant Bosanquet.

A decision with respect to this case, as I had occasion to intimate in my letter to you dated 19th November 1824, is of considerable public importance; and I am directed by the Board to request that the result of the conference, if it have taken place, may be communicated at your earliest convenience.

I have, &c.
(signed) *T. P. Courtenay.*

LETTER from *J. Dart*, Esq. to *T. P. Courtenay*, Esq.; dated East India House, 2d April 1828.

Sir,

WITH reference to your several letters of the 12th July and 23d December 1825, conveying the Board's opinion that the law officers of the Crown should be invited to confer with the Company's standing counsel on the subject of the charge of interest on account between the Territorial and Commercial branches of the Company's affairs, I have the honour to transmit a copy of the Case, and joint opinion of the Attorney-general, the Solicitor-general, and Mr. Serjeant Bosanquet, dated the 14th January 1828; from which opinion it will be seen, that in framing the accounts under the 53 Geo. 3, c. 155, s. 64, interest may lawfully be allowed on the balance annually due from the one branch of the account to the other, and that the rate of such interest, under the particular circumstances of the case, may be lawfully settled by arrangement between the Court of Directors and the Board of Commissioners, as may appear most just.

The latter part of this opinion refers to the lawfulness of charging an Indian rate of interest on the balance which may be annually due from the one branch of the account to the other. This point was long contended for by the Court. But as in their letter of 25th March 1824, the Court agreed that the interest be charged on the annual balance due from the Territorial to the Commercial branch, at the rate payable upon the Company's bond debt in England, I am directed to state to you, for the information of the Board, that the Court still abide by the terms conveyed in that letter, and which are as follows: "That the interest be charged upon the annual balance due from the Territorial to the Commercial branch, at the rate payable upon the Company's bond debt in England, at the several periods since the 30th April 1814, when the balance shall be struck; but with respect to its compound operations, the Court must still contend, that unless the annual repayments by the Territory to the Commerce shall in the first instance be applied to discharge the interest annually accruing on the account, such interest shall be held to augment the principal of the debt, to carry interest upon the subsequent adjustment."

I have, &c.
(signed) *J. Dart*, Secretary.

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(Enclosure.)

Extract of a CASE and OPINION of His Majesty's Attorney and Solicitor Generals, and Mr. Serjeant *Bosanquet*; dated 14th January 1828.

Your opinion is requested,

Whether, in framing the accounts under 53 Geo. 3, c. 155, s. 64, interest may lawfully be calculated from year to year, or in any other manner, on the balance which may be annually due from the one branch of the account to the other; and if so, whether at the English or the Indian rate of interest?

We are of opinion, that in framing the account under 53 Geo. 3, c. 155, s. 64, interest may lawfully be allowed on the balance annually due from the one branch of the account to the other, and that the rate of such interest, under the particular circumstances of the case, may be lawfully settled by arrangement between the Court of Directors and the Board of Commissioners, as may appear most just.

(signed) *J. Scarlett.*
N. C. Tindall.
J. B. Bosanquet.

LETTER from *Benjamin S. Jones*, Esq. to *Peter Auber*, Esq.; dated India Board, 17th August 1830.

Sir,

I AM directed by the Board of Commissioners for the Affairs of India to refer you to the letter from Mr. Dart to Mr. Courtenay, dated the 2d April 1828, transmitting a copy of the Case submitted to the law officers of the Crown, and to the standing counsel of the East India Company, with respect to the charge of interest in the accounts between the Territorial and Commercial branches of the Company's affairs, together with the joint opinion of those gentlemen thereupon.

The Board were desirous of maturely reconsidering the whole question to which that case relates before they came to a final decision upon the several points involved in it, but they are now prepared to communicate to the Court the conclusions at which they have arrived.

While the Board are of opinion, that nothing contained in the Act of the 53d of Geo. 3, can be construed as prescribing the allowance of interest on the advances made by one branch of the Company's affairs to the other, they cannot think it unlawful for them to acquiesce in a charge of that nature, under circumstances which apparently were not within the contemplation of the Legislature.

The Board, therefore, do not see reason to depart from the decision communicated in Mr. Courtenay's letter of the 15th March 1824, that they will not object to the charge of interest due either to the Commerce or to the Territory, "provided that it is calculated on such principles, and at such rate, as they can approve."

But while the Board consider themselves at liberty to allow a charge of interest under circumstances which apparently were not within the contemplation of the Legislature, they do not think it to be within their competence to allow that charge under circumstances which were contemplated by the Legislature, and under which no provision for such a charge was made.

The 56th section of the Act of the 53d Geo. 3, directs that a "sum equal to the actual payments which shall have been made from the Commercial funds at home on account of Territorial charges *in the year preceding*, (after deducting therefrom the charges of the Commercial establishments, and all the Commercial charges in India which may have been paid from the Territorial revenues in the same year) shall, in each and every year, be issued in India, for the purpose of the said Company's India or China investment, or of remittance to England on account of the said Company, at the option of the Court of Directors."

The Legislature, therefore, contemplated the delay of at least one year in the repayments to the Commercial branch of the sums advanced on account of the Territory, and yet made no provision for the charge of interest for that year.

It is impossible for the Board to allow a charge which it must be inferred that the Legislature did not intend to permit, and they can only acquiesce in the charge of interest from the commencement of the second year after the incurring of a debt from the Territorial to the Commercial branch.

When the Board refer to the means by which the Court have been enabled to make large advances to the Territorial branch from their treasury in England, they observe, that sums of considerable amount, applicable to the fourth head of appropriation, in the 57th section of the Act of 53 Geo. 3, and usually termed "surplus Commercial profits," have from time to time remained unappropriated to the purposes to which they are destined by the Legislature, for reasons which, in the opinion of the Court, as well as of high legal authorities, justified some postponement of the prescribed appropriation. Those funds are applicable, according to the provisions of the statute, to the discharge of the capital of Indian debt, and they have been so applied almost exclusively. The retention of the amount reserved, however justifiable, has operated to prevent the reduction of an equal amount of debt bearing interest, while it has to the same extent furnished the Court with the means of meeting the Territorial demands upon the Home Treasury. The Board therefore consider it equitable that interest should only be charged upon that portion of the debt due by the Territorial

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Territorial to the Commercial branch which is in excess of the amount of the unappropriated surplus profits of the Company; for the Territorial branch cannot, in fairness be required to pay, at the same time, interest upon debt which might be redeemed, and upon the sums which might be applied to its redemption.

Although the Board do not see reason to depart from the principle advanced by them in Mr. Courtenay's letter to Mr. Dart of the 17th April 1824, namely, that "no interest shall be allowed upon sums due from the Territory to the Commerce, repayment of which, though the Territorial funds are sufficient to meet it, is delayed by the want of a Commercial demand for it;" still, adverting to the difficulty of defining to what degree that demand on the part of the Commercial branch might have been properly extended in such case, and to all the circumstances of the several cases now before them, they will not now insist upon any deduction upon this ground from the sum upon which interest is to be charged. I am further directed to state, that the Board will not object, that after the interest bills, not otherwise provided for, shall have been first paid thereout, the sums annually remitted by the Treasury shall be applied to the discharge of the interest accruing on the debt due to the Commercial branch, that interest being calculated according to the principle above laid down.

It has been already agreed, that the rate of interest used in the account between the two branches shall coincide with that which the bond debt of the Company has borne from time to time.

I have, &c. &c.
(signed) *B. S. Jones.*

LETTER from *Peter Auber*, Esq. to the Hon. *J. Stuart Wortley*; dated 9th December 1830.

Sir,

Having laid before the Court of Directors Mr. Jones's letter of 17th August last, which communicated to the Court the conclusions at which the Board have arrived upon the several points connected with the charge of interest in the accounts between the Territorial and Commercial branches of the Company's affairs, I have received the Court's orders to transmit to you, for the information of the Board, as the result of their mature consideration of the points to which their attention has been called, the following observations:

The Board having, in accordance with the legal opinion transmitted to them in the year 1828, signified their assent to the admission of the principle of this charge, the Court have only to remark upon the Board's view of the limitations under which the charge should be allowed.

The Court do not coucur in the interpretation given by the Board to that part of the 56th section of the 53d Geo. 3, which is quoted in Mr. Jones's letter, as evidencing the intention of the Legislature, that a delay of at least one year should occur in the repayments to the Commercial branch, of the sums advanced on account of the Territory. The Court would request the attention of the Board to the remaining part of the section to which they have referred the Court, and which is expressed in the following terms:

"Provided always, that any excess which may happen to be so issued *in any year*, for the purposes of investment, beyond the actual payment which shall have been made *in the same year* by the said Company in Europe on account of Territorial charges, shall be taken into account in diminution of the sum to be applied to the purposes of investment for the year following."

From this part of the section, the Court deem it to be obvious that whatever be the method intended by the Legislature to be observed in assigning to the Commercial department in India the funds to be annually placed at its disposal under the provisions of this section, it is meant that the principle of adjustment of account between the two branches in respect to the transaction shall be that of a prescribed equality (to be obtained as far as the circumstances of the case will allow) *in the same year*, of the repayments in India, with the amount of the actual disbursements for Territorial charges in Europe; and upon a consideration of the whole section, as well of that part to which reference has been made by the Board, as of that which has been just quoted, the Court are of opinion, that the Legislature, in framing this enactment, had in view the circumstances under which the financial transactions of the Company, both Political and Commercial, must be conducted, and adapted its provisions to those circumstances. As on the one hand the amount of Political expenditure at home in any year cannot be ascertained until the close of each year, and on the other hand, the investment cannot be duly provided without previous arrangements and prospective instructions to the governments abroad, the resort in the first instance to estimate, as the ground-work of the process, becomes necessary, and, in the Court's opinion, was in the contemplation of the Legislature. This conclusion appears to derive force from the direction contained in the Act for the adjustment, in subsequent years, of the amount of any excess of issues for investment in previous years, a direction which would have scarcely been requisite had it been intended that the orders for investment should have reference to the expenditure, precisely ascertained, of a past period.

See Sec. 125.

It has always been held, and indeed it appears to have been expressly provided by the Legislature, that the operation of the Act of the 53d Geo. 3, as respects the transactions between the Territorial and Commercial branches should commence, and consequently terminate, simultaneously both in England and in India; a provision inconsistent with the allowance

allowance of a delay of one year in making the repayments from the revenues, as such a delay would involve the consequence of extending the period of repayment beyond the term granted to the Company by the Act.

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The Court cannot acquiesce in the view which the Board have taken of the unappropriated surplus Commercial profits of the Company, in conneetion with the question under discussion. First, because the fund arising from this source is applicable to the reduction of the home-bond debt as well as of India debt; and, secondly, because the amount of surplus Commercial profit which is held by them unappropriated, in accordance with the advice of high legal authorities, is so held with a view to the general exigencies both Commercial and Political of the Company's affairs; the term "reservations for contingent losses," made use of by those authorities as descriptive of the purposes amongst others for which such a balance might lawfully be retained, necessarily implying that meaning.

See Opinion of Attorney and Solicitor-Generals, quoted in Letter to the Board, 12 Aug. 1818. Appx. No. 19, p. 232.

Until, therefore, upon a view of the whole of the Company's affairs, it shall have been decided, in the accustomed mode, that sums are appropriable from this source, under the 57th section of the 53d Geo. 3, to the reduction of Indian Territorial debt, it cannot be assumed that this portion of the funds in the Company's possession would ultimately receive that destination; as in fact in the occurrence of cases such as are contemplated by the legal authorities before adverted to, it might no longer remain for application, and could not therefore be taken prospectively as a set-off against ascertained demands of the Commerce upon the Territory, for advances made by the former for the service of the latter.

In the decision of every question of account between Territory and Commerce, it appears to the Court that reference should constantly be made to the object which the Legislature had in view in directing the separation; being, as laid down in the despatch of 6th September 1813, that the financial results of each branch might be arrived at, "as if they were absolutely distinct and separate concerns."

The application of Commercial surplus to the reduction of Indian debt, is the diversion of a fund, commercial in its origin, to the service of the Territorial department, the effect of which, in the accounts of the respective branches, it is important to keep in view, with reference to the object just adverted to. By the application of successive sums from the Commercial surplus to the discharge of Territorial debt, not only is there produced in the accounts of that branch an improvement not derived from its own resources, to the extent of the principal sums paid off, but further augmented by the saving of interest which would have been payable by the Territory had not such debt been redeemed; but from which it, in consequence of such redemption, is relieved. An opposite effect results from this cause in the accounts of the Commercial branch, and the amount of benefit derived by the Territory in the mode just described may be regarded as the measure of the return (although the least) which might have been yielded to Commerce by so much commercial capital, of which it has been divested, had it been employed for the service of the Commercial branch. In this view the Commerce would, as a matter of account, be entitled to credit for the beneficial employment which it might have made of the surplus of its funds applied to Territorial use; but the Court do not mean to contend that advances made by the Commerce from this source, for the service of the Territory, should be repaid by an outlay for investment. They are, however, decidedly of opinion, that no correct judgment, of the nature described in the despatch of the 6th September 1813, can be formed of the independent resources of the two great divisions of the Company's concerns, without due allowance being made for the benefit thus derived to one branch by the abstraction of a corresponding amount from the resources of the other; otherwise a fallacious ground may be afforded for future legislation with regard to the Company's affairs; and it would, in their view, involve a still greater inaccuracy to abate the allowance of interest upon a portion of the Commercial surplus which might eventually become applicable to the service of the Commercial branch. The allowance indeed, of interest, is by no means an adequate compensation to the Commercial branch for the delay which has occured in making the repayments required by the Act, inasmuch as the out-turn of Indian commerce was so much more favourable in the earlier than in the later years of the present Charter, and the limitation of the advances and suspension, in some cases, of the investments, occurred in the earlier part of the period. To the extent of the profit which would have been realized on the sale of the goods, had the sums appropriable to Commerce been advanced in due course, but which has been sacrificed through the delay in making the repayments, has the view of the Company's commercial transactions been disadvantageously exhibited. And in order to arrive at the result which would have been exhibited had the Company's Commerce been wholly disconnected from the Territory, it would be necessary to give credit to the Commercial branch for the amount of such sacrifice, were it practicable to ascertain it.

It is satisfactory to the Court to perceive that the Board no longer urge the principle contended for on a former occasion, viz. "that no interest shall be allowed on sums due from the Territory to the Commerce, repayment of which, though the Territorial funds are sufficient to make it, is delayed by the want of a Commercial demand for it." Yet they cannot admit the equity of the principle itself, or rather, in the actual position of the two branches of the Company's concerns, and their relation to each other, they cannot admit the possibility of the existence of the case supposed. For if the sums not called for by Commerce remain in the Indian treasuries (the scale of the cash balances not being increased on this account) the Territory, to the extent of the sums so remaining, is saved the necessity of borrowing in the public market, and the consequent charge for interest. And were there an actual surplus of Commercial fund in India, beyond the means of employing them in trade, the existence of a public debt in India bearing interest would afford to the Commercial branch, were it wholly separate from the Territory, the means of

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profitably investing it. Besides, it is obvious to remark, that if the repayments to the Commercial branch have, for the accommodation of the Territory, been postponed from a period favourable for their employment in trade to one that is unfavourable, compensation for the loss thence resulting (as before adverted to) seems to be called for, rather than the infliction of a further loss, in the shape of a non-allowance for interest. The Court do not regret the accommodation which has been thus afforded by the Commerce to the Territory, but they deem it important, on every ground, that the fact of such assistance, and the extent of it, as far as it can be ascertained, should be distinctly borne in mind. The Court would beg leave to recall to the recollection of the Board the large concession they have made, as respects the interests of the Commercial branch, by consenting that the calculation between the two branches shall be made at English rates of interest. In the course which they have adopted upon this question they disclaim all idea of wishing to benefit one branch of their affairs at the expense of the other; they are only anxious that the mode of keeping the Company's accounts should be in strict conformity with the intentions of the Legislature; and under a full conviction that the mode now suggested for the adjustment of interest on the transactions between Territory and Commerce would not convey the correct information required by Parliament, they request the Board's attention to the arguments adduced in this letter in favour of their view of the subject.

I have, &c.
(signed) *P. Auber*, Secretary.

LETTER from *T. Hyde Villiers*, Esq. to *Peter Auber*, Esq.; dated India Board, 10th March 1832.

Sir,

I AM directed to address you, in reference to the correspondence, which took place in 1830, between the Board and the Court, on the subject of the charge of interest on the balance due from the Territorial to the Commercial branch of the affairs of the East India Company.

The Board have maturely weighed the objections urged by the Court to the mode approved by the Board of calculating that interest, and I am in consequence directed to communicate to you, for the information of the Court, the following observations:

The points noticed by the Court which remain unsettled are two only; namely, at what period the charge of interest on each yearly balance should commence; and whether the amount of surplus Commercial profits of the Company, remaining unappropriated in the Home Treasury in each year, should be deducted from the balance before interest is calculated.

With respect to the first point, the period from which interest should be calculated, it was proposed by the late Board, that as the Legislature appear to have contemplated in the Act of 53 Geo. 3, c. 155, the delay of at least one year in the full repayment to the Commercial branch of the sums advanced in England for Territorial purposes, and to have made no provision for the charge of interest for that year, interest on each balance should only be computed from the commencement of the second year.

After a full consideration of the arguments adduced by the Court in opposition to this view, and in favour of the commencement of interest from the period when the balance actually arises, the Board are of opinion, that a close adherence to the letter of the Act would justify the opinion which was expressed on this point. They are willing, however, to admit that the spirit of the Act in its financial clauses, which contemplates the punctual fulfilment of the functions of each part of the system, (a departure from which in one branch has appeared to the Board to justify the grant of interest on the deficiency in the reimbursements which should have taken place) would rather prescribe, that the charge of interest so introduced should be calculated from the date of the deficiency of repayment; and the Board will not object to the adoption of that principle in the calculation now in question.

Upon the second point above-mentioned, the decision of the Board was, that interest should only be charged upon that portion of the debt due by the Territorial to the Commercial branch which is in excess of the amount of the unappropriated surplus profits of the Company, it being held by the Board, that the Territorial branch could not in fairness be required to pay, at the same time, interest upon debt which might be redeemed, and upon the sums applicable by law to its redemption.

The Court object to this decision on two grounds, first, because the fund arising from this source is applicable to the reduction of the home-bond debt as well as of Indian debt; and secondly, because surplus profits unappropriated may lawfully be so held according to the high legal authorities consulted by the Court, "as reservations for contingent losses," which term the Court consider to comprise general exigencies, both Commercial and Political, of the Company's affairs; it is thence argued, that until the appropriation be made to the discharge of Indian Territorial debt, it cannot be known that such will be its destination, and its amount cannot therefore be taken as a set-off against demands of the Commerce upon the Territory.

Taking first into consideration the last of these reasons, the Board direct me to observe, that admitting the interpretation of the law assumed by the Court to be correct, and that the sole object of the reservation was to meet contingent losses, the transactions now under discussion are those of a period that is past, the losses of which are ascertained; and

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and it is the surplus profits, after meeting all losses of the respective years, to which the Board's decision has reference. The surplus profits are, under the 4th head of appropriation of the 57th section of the Act of 1813, applicable to the liquidation of Indian Territorial debt or home-bond debt, and to no other purposes whatever; and in so far as those purposes are Territorial, the fund has a Territorial and not a doubtful destination. These profits, while they have remained unappropriated, have constituted a part of the cash balances from which the advances for Territorial payments have been supplied, and hence arises the claim for deduction of their amount from the balance due to Commerce in the calculation of interest, for which the Board contend.

The Board are confirmed in the propriety of this view by a reference to the opinion of His Majesty's Attorney and Solicitor Generals in 1818, to which the Court have referred. The Court, in the case referred to those authorities, inquired whether they were bound, in reference to an annual statement of profit and loss, "to treat as profit the whole balance appearing in their favour in any one year, without making any deduction or reservation for contingent losses and adventures, or for such sums as may be likely to be wanted for Territorial purposes."

The opinion given upon this point was, that in regard to estimates of their profit or loss, they were "not bound to treat as profit the whole cash balance appearing in their favour in any one year, without making reasonable deductions and reservations for contingent losses, as well as for such payments as they may be called upon to make for Territorial purposes."

It is thus clear, that the Court themselves, as well as the legal authorities then consulted, considered it right to suspend the appropriation of a part of the surplus profits to the discharge of debt, in order that the current Territorial demands upon the Home Treasury might thereby be provided for. The reservation was therefore made, and the discharge of Territorial debt bearing interest postponed, in order that the same funds might be applied to Territorial purposes in another form; but the Territory cannot be charged with interest on these funds when so applied.

A further confirmation of the propriety of the Board's view is furnished from the correspondence of the Court with the Board, in which they have, on more than one occasion, signified their inability to appropriate a further portion of the surplus Commercial profits to the discharge of Territorial debt, when it has been proposed by the Board, on the ground of their being so largely in advance to the Territorial branch by issues on that account from the Home Treasury.

The Board would refer particularly to Mr. Dart's letters to Mr. Courtenay, dated 7th June 1821 and 29th January 1823.

Vide Appx. No. 19, pp. 251 and 253.

In the former letter the Court observe that the measure suggested by the Board, of appropriating a further amount of surplus profits "would be highly inexpedient; the immediate and prospective demands upon the Court to an undefined amount for bills of exchange drawn from India for interest of India debt requiring the entire of the resources of the Company in England *to be retained for their liquidation*;" and in the letter of 1823 the Court objected to further appropriation of surplus profits on the following grounds: "It is true that an amount of surplus Commercial profits is still unappropriated, fully adequate to meet the whole of the bills drawn in discharge of that debt, but it is no less true that the Commercial branch of the Company's affairs is in advance to the Territorial branch to an amount exceeding the unappropriated surplus profits, and of which the repayment by India in the way of Commercial investment must necessarily be a very difficult and tardy operation."

Thus the Court have undoubtedly withheld the appropriation of surplus profits to the reduction of Territorial debt, and consequently of interest payable by the Territory, (the propriety of which proceeding is not now the subject of consideration), in order that they might with those funds pay, or in consequence of their having therewith paid, Territorial demands. It is perfectly clear, therefore, that were the Board to accede to the Court's proposition, by allowing to the Commercial branch interest on the whole of those demands, the Territorial branch would be in effect subjected to the payment of double interest on very large sums, during a considerable part of the term of the present Charter.

The only modification to which the Board feel at liberty to consent arises out of the other point of objection which the Court have urged, namely, that the surplus Commercial profits are applicable to the payment of home-bond debt as well as India debt. Considering the character of the former debt, the Board deem it to be equitable that the unappropriated surplus profits, *minus* such proportion of them as may fairly be considered applicable to the reduction of Commercial debt, should be the sum deducted from the balance on which interest is calculated. It is not necessary for this purpose to enter into the question of the precise character of the home-bond debt, but as the Company have hitherto paid the interest upon that debt out of their Commercial receipts, the Board consider that for the present purpose the amount of that debt should regulate the proportion of the surplus profits applicable to Commercial purposes.

The Board observe, that the India debt at interest during the present Charter has been, on an average, rather more than 31,000,000 *l.* sterling; the home-bond debt nearly 4,000,000 *l.* As the Act of 1831 enacts that the Territorial debt shall not be reduced lower than to 10,000,000 *l.*, and the bond debt to 2,000,000 *l.*, the surplus profits might have been applied under that Act towards the reduction of 21,000,000 *l.* of India debt, and 2,000,000 *l.* of bond debt. They propose, therefore, to consider one-tenth of the surplus profits as the amount which might have been applied to Commercial purposes. There will thus remain to be deducted from the yearly balances, before interest is calculated, nine-tenths of the unappropriated surplus

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surplus profits. In any year in which that portion of the profits shall exceed the balance due there will of course be no charge for interest.

The Board do not deem it requisite to reply at length to the remarks made by the Court on points already decided. The Board still adhere to the opinion repeatedly expressed, that although it may be difficult, if not impracticable, to fix a rule of calculation, interest in favour of the Commercial branch might otherwise have been disallowed for any period when the Territorial treasuries were fully equal to make repayment, and there was a failure of Commercial requisition. During several years the cash balances in India were unquestionably more than sufficient to have discharged the debt due to Commerce, and the charge of interest might to that extent have been saved to the Territorial branch had further remittances or consignments been then effected. The Board must also decline to admit that the Court have made "a large concession" in acquiescing in the charge of English interest on advances which were issued in this country only. But considering it to answer no useful purpose to pursue these subjects further, the Board, in conclusion, desire me to express their opinion, that the utmost consideration, consistent with the law, has been given to the Commercial branch by the decision now communicated; and as no further concession can with propriety be made in the principle on which the charge of interest, which is the subject of this letter, should be calculated, they request that the Court will direct that interest may be computed accordingly, and that an account be made out and transmitted to the Board, with as little delay as possible, showing the annual effect which that method will produce on the account between the Territorial and Commercial branches of the Company's affairs, from 1814 to the present time.

I have, &c.

(signed) *T. Hyde Villiers.*

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CORRESPONDENCE, &c. relating to the Prospective Estimate of the Finances of the East India Company.

Appendix, No. 22.

Prospective Estimate of the Finances of India, &c.

LETTER from *Thomas Hyde Villiers*, Esq. to *Peter Auber*, Esq.; dated 15th February 1832.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will move the Court of Directors to order that the following accounts may be prepared, in addition to those requested in my letter of the 9th instant, and that they may be transmitted to this office with as little delay as possible.

A Prospective Estimate of the state of the Finances of India, including the Charges paid in England at the close of the Company's present term, corrected according to the latest advices received from India; exhibiting the result under the existing system, and upon the supposition that the trade is separated from the Territorial management.

It will be desirable in this estimate that the probable effect on its result of the liquidation of claims, the amount of which is uncertain or under discussion, should be exhibited separately.

The Board also request to be furnished with an Estimate of the probable state of the Stock of the Company in India and in England on the 30th April 1834, after including all computed claims of the Company upon the Indian revenues at that period; on the supposition, on the one hand, of the continuance of the existing system, and on the other, of any extensive alteration in it, whether by the discontinuance of the trade, the Company retaining the administration of the Territories, or by the cessation of their Territorial administration.

I have, &c.

(signed) *T. Hyde Villiers.*

LETTER from *P. Auber*, Esq. to *T. Hyde Villiers*, Esq.; dated at the East India House, 10th March 1832.

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Prospective Estimate of the Finances of India, &c.

Sir,

HAVING laid before the Court of Directors of the East India Company your letter dated the 15th ultimo, I am commanded to transmit to you the accompanying "Prospective Estimate of the state of the Finances of India, including the Charges paid in England at the close of the Company's present term, corrected according to the latest advices received from India; exhibiting the result under the existing system, and upon the supposition that the trade is separated from the Territorial management."

To this estimate has been added, agreeably to the desire of the Board, a Statement of "the probable effect on its result of the liquidation of claims, the amount of which is uncertain, or under discussion." The Court beg that it may be distinctly understood that it will be for the General Court of Proprietors, when the subject shall come under their consideration, to decide what course shall be adopted in stating and supporting the whole of the Company's claims.

So strongly are the Court impressed with this consideration, that they cannot undertake to furnish the Board with any regular estimate of the stock of the Company in the year 1834, under the several contingencies assumed in the Board's requisition, namely, the continuance of the present system as a whole; the continuance of the Territorial administration; the Company relinquishing the trade, and the cessation of that administration. Being, however, most anxious upon this as upon all occasions to afford to the Board every information which it is in their power to furnish, the Court have instructed me to submit the following statements and observations, premising that they are only to be regarded as an outline of the view taken by the Court, and not as in any degree committing their constituents.

The Commercial stock of the Company in England, abroad and afloat, on the 30th April 1834, should the existing system be continued, may be estimated at the amount at which it is exhibited in the Account of Stock per computation (exclusive of capital stock) made up on the 20th December 1831, the last account of that description which has been prepared. That account exhibits by computation a balance in the Company's favour of 20,400,835 *l.*, resulting from the following debits and credits; viz.

	£.
Credits, consisting of cash, merchandize, shipping, warehouses in England, debts owing to the Company, and other effects	21,956,690
Dead stock in India, not comprised in the foregoing particulars - - - - - - - - - - -	568,801
	22,525,491
Debts, Commercial, but not comprising the capital stock -	2,124,656
Balance in favour - - -	£. 20,400,835

The value assigned in this estimate to the goods in warehouse in England is taken at the current sale prices.

In the above computation, sufficient allowance is made to cover ordinary sea risk and risk by fire. But should any considerable losses of that description occur prior to 30th April 1834, the Company being their own insurers, the property would be proportionally diminished. The value assigned in the calculation of the Company's buildings both in India and in England, would be liable to serious depreciation in any attempt to realize it by sale. No allowance has been made for the expense that would be caused after 1834 by commercial contracts then outstanding, or by providing for commercial servants pensioned, or whose services might be no longer required; the amount of which being dependant on various circumstances, the Court cannot pretend to estimate.

The home-bond debt has not hitherto been charged against either of the heads of Territory or Commerce; but the statements which have been made to the Parliamentary Committee seem to the Court conclusively to establish that debt to be Territorial, in accordance with the view taken of it by the Committee of the House of Commons, who reported upon the Company's accounts on the 12th March 1783, as quoted below*; and therefore no part of the bond debt is included in the before-mentioned amount of Commercial debts.

It

* "It also appeared that the Company have received and realized in England, from the territories and revenues in India, no more than the sum of 3,622,969*l.*, from which, deducting the said sum of 2,169,398 *l.* 18 *s.* 2 ¼ *d.* paid to Government as before mentioned, the sum remaining for the Company amounted to no more than the sum of 1,453,570*l.* 1 *s.* 9¾ *d.*, which was appropriated in the reduction of the Company's bond debt; and the said sum of 1,453,570*l.* 1 *s.* 9¾ *d.* being deducted from the said sum of 5,069,684*l.*, leaves the Company in disburse upon account of the wars by which the territories were acquired, to the amount of 3,616,113*l.* 18 *s.* 2 ¼ *d.*, besides interest.

It also appeared that the Company's English bond debt in part arose from their military expenses in India, and that those expenses during the wars prevented the Company from discharging the whole their bond debt out of their ordinary profits."

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It appears to the Court that, subject to the contingencies before referred to, the Company will, on the 30th of April 1834, stand possessed, in their Commercial character, of the balance of property estimated above, and their eventual claims upon the Territory not comprised in that balance, their constituents would, it is presumed, according to former practice, allow to remain dormant during the continuance of any further term to be granted to the Company.

With respect to the question, what would be the probable state of the Commercial stock in 1834, in the event of the "discontinuance of the trade, the Company retaining the administration of the Territories," it may be important to remark, that the Company's right to trade in common with His Majesty's other subjects is perpetual, and not dependant on their Territorial administration. That right the Company would be at liberty to exercise, unless they voluntarily consented, for a valuable consideration, to abandon it; but whether they ceased altogether to trade, or only lost their exclusive privileges, reasonable apprehensions may be entertained, that (without express provision to the contrary) the Company's Commercial capital would be exposed to greater hazard of loss or diminution than under the present system: as for instance, in remitting to England such part of the balance due from the Territory as might remain unliquidated in 1834, and any Commercial property abroad at that period; also from a possible depreciation of the value of the large stock of tea kept and ordered by the Company, in compliance with and in furtherance of the provisions of the Legislature, and for which they would be clearly entitled to equitable consideration. A part of the loss which might be expected to occur under such circumstances, would be directly traceable to the artificial valuation of the Company's Commercial property in India, in consequence of the use of the arbitrary and excessive rates of exchange prescribed by the Board of Commissioners in the plan of 1814. Some protection, therefore against such consequences following immediately on the conclusion of their present term, as well as during a continuance of their future Territorial administration, could not, it is conceived, consistently with justice, be denied to them; and with a provision to that effect, the Company's Commercial stock, in the event of the discontinuance of their trade, may be assumed at the sum already stated, of 20,400,835 *l.*, exclusive of their other claims on the Territory.

In the third supposed state of circumstances, "the cessation of their (the Company's) Territorial administration," the constituent parts of the ascertained Commercial stock of the Company would remain the same as under the previous suppositions, and in any general settlement of their affairs following thereupon, it would seem to be only equitable that a provision of the nature before specified should be made to preserve it from loss or diminution through the operation of causes similar to those already pointed out. If the Company's Territorial administration were to cease, the whole of those claims, which in the two former contingencies it has been assumed might lie dormant, must necessarily then be brought forward and determined.

The Company possess, as a commercial corporation, forts, towns, islands, territories and rights abroad, their absolute property in which has never been questioned, the same having been obtained by purchase, amicable grant or negociation, previous to the acquisition of the Dewannee; besides which, it is well known that the claim of the Company to a property (subject to the undoubted sovereignty of His Majesty) in the territories acquired by conquest, has never been abandoned by them, and that should it be determined to deprive the Company of such territories, they possess, as was asserted in their petition of 1813, a "just right to reimbursement of the expenses which they have incurred in acquiring and maintaining them, and in making the fortifications and civil and military buildings and works by them erected, with a compensation for the services and risks (of the Company) during the long time which they have had the possession and government of such territories, under the confirmation of Parliament, and all other charges incurred by them relative to such territories." The Act of the 53d Geo. 3, c. 155, reserved to the Company any right which they might possess in these respects; a reservation which has also been made in several previous Acts.

Should the Company be deprived of their Territorial administration, it will be for the General Court of Proprietors to decide in what mode and to what extent the claim in respect to the territories conquered or acquired subsequently to the acquisition of the Dewannee, as well as all other claims, shall be urged. But without presuming to anticipate the decision of the Proprietors, it may be safely asserted that the Company have an indisputable right to reimbursement of the balance of expenses incurred by them up to 1765, in the conquest of those territories, amounting without interest, in 1783, to 3,616,113 *l.*, according to the statement of a Committee of the House of Commons before quoted.

I have, &c

(signed) *P. Auber*, Secretary.

(Enclosure.)

A PROSPECTIVE ESTIMATE of the State of the FINANCES of *India*, including the CHARGES paid in *England* at the close of the Company's present Term corrected according to the latest Advices received from *India*; exhibiting the Result under the existing System, and upon the supposition that the TRADE is separated from the TERRITORIAL Management.

By an Estimate, dated 22d July 1831, Appendix I. to a Report from the Select Committee of 1831.

			Sa. Rs.
The total Revenues in India, at the expiration of the Company's present term, are stated at 17,936,217 *l.*, or at 1 *s.* 11 *d.* the sicca rupee, the rate observed in that estimate - - - - - - - - - -			18,71,60,525
The total Charges in India, inclusive of the interest on the debt, whether paid in England or in India, but exclusive of the charge for St. Helena and the Home Territorial charges, 16,863,949 *l.*, or - - - -			17,59,71,641
According to that estimate, therefore, the local surplus in 1834 would be - - - - - - - - - - - -			1,11,88,884
Information received since that estimate was prepared, affecting some of the items both of receipt and expenditure, shows an improvement amounting to - - - - - - - - - - - -			2,43,874
Local Surplus - - -			1,14,32,758
But in the Estimate of July 1831, the rupee having been reckoned at 1 *s.* 11 *d.*, it was assumed that the payments from the Territorial to the Commercial Branch would be made at that rate. Supposing these payments to be made as respects Territorial Charges and Interest Bills, at the rates specified in the plan of 1814, as applicable to these transactions respectively, there would be a reduction in the estimated charge for interest on the debt of India, of - - - - - -			3,48,799
Thus augmenting the Local Surplus to - - - - -			1,17,81,557
The expense of St. Helena and the Home Territorial Charges will amount upon a revised estimate to			
St. Helena - - - - - - - -	£. 90,000		
Home charges - - - - - - -	1,640,000		
	£. 1,730,000		
In the discharge of which, India, under the present system of the Board's rate of 2 *s.* 3.84 *d.* pays - - -		*S.Rs.* 1,49,13,793	
Cost of effecting remittances to meet Interest Bills - -		7,80,028	
			1,56,93,821
Deficit under present system - - - *Sa. Rs.*			39,12,264

Note.—Under the present system, India has participated in the surplus Commercial profits of the Company to the extent of 4,998,799 *l.*. applied to the discharge of debt; the interest of which debt, had it not been so discharged up to 1829–30, would have amounted to 3,176,152 *l.*

	Sa. Rs.
If under a change of system such as that indicated in the title to this estimate, the Territory had to effect its own remittances, the rupee, for which, so far as respects the Territorial Charges incurred at home, it now receives 2 *s.* 3.84 *d.*, would be worth to the Territory only its produce in the market; which, taking the rate in London for bills upon Calcutta, upon an average of the three last years, given in the statements before Parliament, appears to have amounted to 1 *s.* 9.247 *d.*, at which the equivalent for 1,730,000 *l.* Home Charges - - -	1,95,41,582
India would also be called upon for a further amount in effecting remittances of interest on the debt, and other advances not included in the above amount of Home Charges. The sums so remitted may be estimated at 689,000 *l.* annually, and the cost of remitting them being the difference between the before-mentioned rate of 1 *s.* 9.247 *d.* and 2 *s.* 2.012 *d.* the average rate at which the Territory is engaged to effect the remittance - - - - - - - - - - -	14,25,747
	2,09,67,329
Deduct Local Surplus, as above - - -	1,17,81,557
Deficit under altered system - - - *Sa. Rs.*	91,85,772

besides

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Prospective Estimate of the Finances of India.

besides which, India would of course cease to participate in the surplus Commercial profits, the amount of which since 1814 has been already stated.

It will be observed that the foregoing calculation is made upon the principle, that the Territory would effect its remittances by receiving cash in London, in exchange for government bills upon India. If the Territory were to adopt the principle of issuing cash in India, in exchange for private bills upon England, there might be an advantage in the rate, though this would, it is conceived, be countervailed by risk of loss, if no security were taken from the drawers of the bills, or by charges of management, if the security were taken of a lien upon cargoes. No allowance is made in this estimate for the contingency of either European or Indian wars.

The registered debt of India in 1834, of which the interest is comprised in the foregoing estimate, is computed at 40,24,39,525 sicca rupees.

PROBABLE EFFECT on the Result of the foregoing Estimate of the Liquidation of Claims, the Amount of which is uncertain, or under discussion.

THE claim of the Company to the balance of their expenditure upon account of the wars which preceded the acquisition of the Dewannee, amounts, according to a Report of a Select Committee of the House of Commons on the 12th March 1783, to 3,616,113 *l.* without interest. The equivalent for this at the before-mentioned rate of exchange of 1 *s.* 9.247 *d.* per sicca rupee, is 4,08,46,572 sicca rupees, which, supposing the government of India to borrow it at 5 per cent. would entail a charge for interest of sicca rupees 20,42,328 per annum.

The principal of the home-bond debt amounts to about 3,600,000 *l.*; and the interest at the present rate of 2 ½ per cent. is about 90,000 *l.* per annum, the equivalent for which would be sicca rupees 10,16,614 per annum.

With respect to the Territorial property of the Company, as a commercial corporation, it may be observed, that besides the question reserved in successive Acts of Parliament as affecting the Territory at large, the Company possess, in their own right, forts, towns, islands, territories and rights abroad, their absolute property in which has never been questioned, the same having been obtained by purchase, amicable grant or negociation, previous to the acquisition of the Dewannee.

(Errors excepted.)

East India House, March 1832. (signed) *James C. Melvill*, Audr India Accts.

Appendix, No. 23.

Appendix, No. 23.

Memorandum on the Court's Prospective Estimate of 10 March 1832.

MEMORANDUM of the Result of an Examination made at the India Board, of the PROSPECTIVE ESTIMATE of the FINANCES of INDIA, forwarded by the Court of Directors to the Board, with their Letter dated 10th March 1832.

THE Prospective Estimate of the Finances of India, transmitted to the Board by the Court of Directors on the 10th March last, has been framed at the desire of the Board, in order to show the probable state of those finances at the close of the present arrangement with the East India Company in 1834, on reference to the latest advices received from India; and it exhibits the result, as it would stand, first, under the existing system; and, secondly, upon the supposition that the trade is separated from the Territorial management. In the former case the Court estimate that a deficiency of revenue to defray all charges abroad and at home will remain, amounting to *Sa. Rs.* 39,12,264; in the latter case, that the deficiency will be increased to *Sa. Rs.* 91,85,772, which does not include interest on sums which the Court consider may, in the case supposed, be claimed by the Company on account of various demands upon the Territories.

Appendix (A.)

The particulars composing these results have been called for, and are added to the Appendix. They exhibit the various heads of Revenue and Charge, upon the principle adopted in the accounts laid before Parliament.

In considering this estimate, it is of importance to bear in mind that much uncertainty must always attach to estimates of the Indian finances, and especially to such as are framed so long beforehand. It is, therefore, the more important that the computation should be grounded as much as possible on results which have been actually realized. The several heads of Revenue and Charge have consequently been compared, in a Statement* hereunto annexed, with those of the last three years of which the actual accounts have been received, viz. 1827–28 to 1829–30, the receipts which are only of a temporary character being separated from those which are permanent. The amount of each head, as estimated for

* Appendix (B.)—This Statement is drawn up upon the principle adopted in the accounts presented to Parliament, which is followed in the Court's Estimate; a principle differing in some respects from the mode of statement in use by the Officers of Account in India, in which form such statements are occasionally exhibited.

for 1830–31, is also shown, but the realization of the Indian estimates, however carefully they may be framed, cannot be relied upon, as will be seen on comparing the results of the Sketch and Regular Estimates of the principal heads of revenue in previous years (as shown in the Statement) with the actual out-turn. Even should more favourable results be realized in a particular year, it would not justify the adoption of those results for a prospective and distant view.

The following remarks are suggested with regard to such heads as require observation.

Bengal Revenues.

Bengal Revenues.

The general receipts from the *Mints*, the *Post-office*, the *Stamps*, and the *Judicial* fees and fines, taken at 44 lacs of sicca rupees, appear to be estimated as high as is consistent with proper caution. Previously to 1827–28, the amount was lower than in the subsequent years, and latterly some heads have ceased, and others have yielded less revenue.

The important head of *Land Revenue*, under the Bengal Presidency *, yields a steady and somewhat increasing resource. In 1826–27, the receipt was somewhat higher than is shown in 1827–28. In the five years preceding 1826–27, the average receipt was *Sa.Rs.* 7,06,20,781. Although the Estimate for 1830–31 anticipates a receipt of *Rs.* 7,11,70,000, later advice intimates that it will probably not exceed *Rs.* 7,04,50,000, or 704 ½ lacs. The sum of 706 lacs of rupees appears a suitable average estimate for the future.

Although the receipts from *Customs* in 1829–30 fell short of the estimate, there is good ground to hope, from the amount of this revenue in previous years, that the Court's Estimate† may be realized in future.

The receipts from the *Ceded Territory and Tributes* have varied greatly. The districts on the Nerbudda have yielded less revenue latterly than in previous years. In 1829–30, the tributes received from numerous Native States fell much in arrear, and the receipts from a few of the districts were carried to the credit of the account with Scindia, for the pay of his auxiliary cavalry, which occasioned a nominal reduction of nearly 3 lacs of rupees. Nearly 2 ½ lacs of tribute have also ceased to be carried to account under the present head.

The Estimate for 1830–31 assumes a large receipt of arrears of tribute. If it should be realized, it cannot be taken as an annual resource. The Burmese cessions are not expected to yield any material increase. Upon the whole, it would not be safe to adopt a higher estimate‡ than that taken by the Court for this head of receipt.

The revenue from *Salt* § was lower in 1829–30 than for eight previous years. The quantity sold, and the price, exceeded those of 1828–29, but were lower than in some previous years; the difference of result arose in the amount of outstanding balances. The usually steady receipt from this article may justify the expectation, that as the average produce of the last seven years was 187 lacs of rupees, and it is estimated in 1830–31 at 183 lacs, this head will, on an average, yield more than is taken in the Court's Estimate, and that the amount may be 185 lacs of rupees instead of 180 lacs.

From the receipts from *Opium* ‖ in 1829–30 is to be deducted the receipt from Malwa opium, the manufacture of which on account of the Government is no longer continued, viz. *Rs.* 41,54,233, leaving *Rs.* 1,11,07,859 as the produce of the Behar and Benares opium. In the two preceding years this opium yielded an amount exceeding that of 1829–30, but since for four previous years it yielded considerably less than one crore of rupees, the latter sum

* Bengal Land Revenue in,

1821–22	*Sa.Rs.* 7,11,68,127
1822–23	7,09,70,358
1823–24	7,10,75,150
1824–25	6,98,51,185
1825–26	7,00,39,084
	35,31,03,904
Average	*Sa.Rs.* 7,06,20,781
1826–27	7,19,52,252

† Prospective Estimate - *Sa.Rs.* 67,50,000

‡ Prospective Estimate - *Sa.Rs.* 43,50,000

§ Receipt from Salt:

1823–24	*Sa.Rs.* 1,90,39,514
1824–25	1,81,91,301
1825–26	1,84,43,698
1826–27	1,87,35,733
1827–28	2,05,36,872
1828–29	1,96,10,557
1829–30	1,64,34,370
	13,09,92,045
Average	*Sa.Rs.* 1,87,13,150

Prospective Estimate - *Sa.Rs.* 1,80,00,000

‖ Receipts from Behar and Benares Opium:

1823–24	*Sa.Rs.* 73,43,549	Average. *Rs.* 72,76,438
1824–25	85,82,466	
1825–26	50,31,204	
1826–27	81,48,533	
1827–28	1,14,85,943	Average. *Rs.* 1,12,62,881
1828–29	1,11,94,842	
1829–30	1,11,07,859	
Estimate 1830–31	1,24,00,000	
Prospective Estimate	1,00,00,000	

Appendix, No. 23.

Memorandum on the Court's Prospective Estimate of 10 March 1832.

sum may be taken as a fair estimate of the future produce of this fluctuating head of revenue. The Estimate of 1830-31 includes 13 lacs on account of Malwa opium, which will not in future be realized. So high a receipt as 124 lacs cannot be expected from other opium.

The subsidy from the Nagpore State is fixed in the treaty at eight lacs of Sonat rupees, or *Sa. Rs.* 7,65,500. The payment commenced in June 1830, which accounts for the sum of only *Sa. Rs.* 5,70,000 being included in the Estimate for 1830-31. Considering that for many years past other Native States in the Peninsula have paid their full subsidy regularly, it may be assumed that the entire amount will, in most years, be received. In that view, two lacs of Sicca rupees may be added to the five lacs, at which the receipt is estimated by the Court.

The total revenues of Bengal, according to the Prospective Estimate, are *Sa. Rs.* 11,48,90,000, which, converted into sterling at 2 *s.* per current rupee, for the purpose of comparison with the accounts presented to Parliament, is 13,327,240 *l.*

The additions above suggested, amounting to seven lacs of rupees, will be brought into view hereafter.

Madras Revenues.

Madras Revenues.

The first or *General* head requires no particular remark.

The *Land Revenue* * is estimated rather higher than the average amount of the three preceding years, two of which were rather unfavourable. Considering the liability of the Madras districts to suffer from adverse seasons, this is the utmost amount that could safely be assumed.

The amount estimated to be received from *Customs* † is rather below the average of the last three years, and it may be hoped will be realized.

The receipts from *Salt* ‡ are estimated at an amount exceeding by one and a half lac of rupees, the average receipt of the three preceding years; but as this resource has been for some years improving, it may not be too high.

The *Subsidies* from Mysore, Travancore, and Cochin, have been steadily realized for many years.

One source of revenue does not appear in the Estimate, the Profits to be derived from the Government Bank, which may be taken at *Rs.* 80,000. This will constitute an addition to the receipts of this Presidency.

The total revenues of Madras are assumed in the Court's Prospective Estimate at Madras rupees 4,77,01,100, or at the Parliamentary rate, viz. 3 ½ rupees for the pagoda, at 8 *s.*, 5,451,555 *l.*

Bombay Revenues.

Bombay Revenues.

The increase of receipts of the *General* Department, as compared with those of the year 1828–29, arises chiefly from bringing to account the gross instead of the net receipts from *Stamps.*

In the *Land Revenue* great depression has been experienced in most of the districts, especially those situated in the newly-acquired provinces in the Deccan.

The failure of the Bombay revenues in 1828–29, as shown below §, continued during the year 1829-30; and although the Estimate for 1830–31 assumes a considerable increase, recent advices received since the Prospective Estimate was framed, indicate that the actual receipts of 1830–31 may fall below the Estimate by about 21 lacs of Bombay rupees. The Court's Estimate calculates on some improvement, and under present circumstances it can hardly be taken higher ‖.

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* Land Revenue, &c.:

1827–28 - -	*Ms.Rs.* 4,67,93,586
1828–29 - - -	4,82,01,518
1829–30 - - -	4,73,86,385
	14,23,81,489
Average - -	*Rs.* 4,74,60,496
Prospective Estimate -	*Rs.* 4,77,01,100

† Customs:

1827-28 - - -	*Ms.Rs.* 49,58,881
1828-29 - - - -	53,37,560
1829–30 - - - -	51,68,848
	1,54,65,289
Average - -	*Rs.* 51,55,096
Prospective Estimate -	*Rs.* 51,00,000

‡ Salt Revenue:

1827–28 - - -	*Ms.Rs.* 30,29,183
1828-29 - - - -	35,38,644
1829–30 - - - -	41,08,391
	1,06,76,218
Average - -	*Rs.* 35,58,739
Prospective Estimate -	*Rs.* 37,00,000

§ Land Revenue:

1827–28 - -	*By.Rs.* 1,83,84,563
1828–29 - - -	1,61,62,103
1829–30 - - -	1,61,17,261
Estimate 1830–31 - -	1,81,24,700

‖ Prospective Estimate - *By.Rs.* 1,63,50,000

The estimated receipt from *Customs* * may be considered high; but the steady increase of this resource, arising partly from the improvement of the commerce of this Presidency, and partly from increase of duties, encourages the hope that it will be realized.

Memorandum on the Court's Prospective Estimate of 10 March 1832.

The only revenue henceforth expected to be derived from *Malwa Opium*, will be realized at Bombay by the sale of passes allowing its transit through the Bombay provinces to the sea. The Estimate of 1830–31 relies on a receipt of 14 lacs of rupees from this source; but the actual receipt of the year scarcely exceeded 8 lacs. The resource is expected to improve, and it may therefore be proper to anticipate at least the amount assumed by the Court, viz. 10 lacs of rupees.

The total revenues at Bombay are taken in the Prospective Estimate at Bombay rupees 2,24,00,000, or, at 2 *s.* 3 *d.* the rupee, 2,520,000 *l.*

The revenues of India, according to the Prospective Estimate of the Court, are computed as follows, at the rates of exchange generally used in the accounts laid before Parliament:

Bengal - - - - - -	£. 13,327,240
Madras - - - - - -	5,451,554
Bombay - - - - - -	2,520,000
Total - - -	£. 21,298,794

Charges.

Charges.

To estimate prospectively what the Charges of India will amount to at a particular period, must be attended with more difficulty, and the probability of its realization be more questionable, than to estimate the revenues; especially at a period like the present, when extensive reductions are in progress in every department, the benefit of most of which will only be realized gradually, and as events occur which are contingent in their character. With regard to Bengal, the difficulty is further increased, in consequence of a new arrangement, whereby, in 1829–30 and 1830–31, only audited disbursements were brought to account as the expenditure. Hence, under some heads, principally the Revenue and Judicial, in the last year of actual account, 1829–30, which would furnish the best guide for the future, a large and undefined amount of charge is omitted, and in the Estimate of 1830–31 there are probably similar omissions, and a considerable sum of arrears belonging to the former year is included in the charges. These circumstances must be considered in any comparison of the estimated amounts of charge with those of previous years.

The information furnished by the Court relative to their Estimate intimates that the charges are ascertained by adjustments upon those of 1829–30, instead of 1828–29, which was the year referred to in their former Prospective Estimates. A later year naturally affords a better guide for a future prospect, but, for the reasons already given, the difficulty of applying the rule accurately to the several heads of the Bengal Charges is considerable.

Bengal Charges.

Bengal Charges.

The adjustments made upon the Charges of 1829–30 are the following, in which the Court have assumed that arrears of Civil Charge remained outstanding at Bengal at the close of the year, amounting to 25 lacs of rupees.

Total Charges of Bengal in 1829–30 - - - - - -			*Sa.Rs.* 9,33,40,918
Deduct, as inapplicable to future years:			
Malwa opium charges, &c. - - - - -		*Rs.* 16,93,958	
Embezzlement in Benares mint - - - - - -		1,93,643	
Payments to Scindia - - - - - - -		7,70,320	
War charges - - - - - - - - - -		1,55,551	
		28,13,472	
Deduct also, further reductions ordered:			
In Civil and Marine departments - - -	7,00,000		
In Military department - - - - -	29,50,000		
		36,50,000	
Total Deductions - - - -			64,63,472
Carried forward - - -			8,68,77,446

* Customs:

1826–27 - - - - - - - -	*By.Rs.* 33,59,026
1827–28 - - - - - - - - -	35,08,188
1828–29 - - - - - - - - -	37,68,490
1829–30 - - - - - - - - -	42,96,088
Prospective Estimate - - - - - - -	41,00,000

Appendix, No. 23.

Memorandum on the Court's Prospective Estimate of 10 March 1832.

Add, Brought forward - - -				*Sa. Rs.* 8,68,77,446
Pay of Civil establishments, supposed to be omitted in 1829-30 - - - - - - - - -			*Rs.* 25,00,000	
Civil pensions short paid in that year - - - -			14,00,000	
Salt advances - - ditto - - - - - -			10,00,000	
Civil extraordinaries, less than usual in 1829-30 - - -			4,00,000	
Military receipts, more than ditto - - - - -			6,00,000	
Military buildings, less than ditto - - - - -			4,00,000	
Other small adjustments - - - - - - -			12,162	
Additional interest on debt prior to 1834, as compared with interest paid in 1829-30 - - -		16,51,492		
Additional interest to be incurred to pay debt due from the Territorial to the Commercial branch - - - - -	29,91,200			
Less, adjustment of ditto in the Prospective Estimate for difference of exchange -	3,48,799			
		26,42,401		
Total estimated increase of Interest - - - -			42,93,893	
Total additions to Charges of 1829-30 - - - - -				1,06,06,055
Estimated Charge, prospectively - - - -				*Sa. Rs.* 9,74,83,501

The deductions of *Rs.* 28,13,472 are correctly excluded as peculiar to 1829-30, and not likely to recur. The *Civil* and *Marine* reductions, taken at seven lacs, and the *Military* at 20 ½ lacs of rupees, are assumed upon the principle of allowing for such additional savings as the reductions in progress are expected to produce by the year 1834. The amount is necessarily on estimate; the requisite distinction not being sufficiently observed in the Indian accounts.

With regard to the additions made to the Charges of 1829-30, the arrears of 25 lacs appear to have been estimated with as much accuracy as the circumstances will allow. The Civil pensions chargeable on the revenues are of large amount, and the payments within the year fluctuate considerably. Those of 1829-30 fell short of the usual amount to the extent stated of 14 lacs of rupees. The advances and payments on account of the manufacture of salt were, in 1829-30, only *Rs.* 29,79,003, which is full 10 lacs below the usual amount. The other minor adjustments seem justifiable on a comparison with 1829-30.

The charge of *Interest on the Debt* requires particular attention, and will be noticed shortly.

As it respects the Civil and Military charges, while, as already observed, an adjusted estimate, framed upon the experience of the latest actual results, may be considered as presenting the most probable view of the future, it has been considered desirable to ascertain how far the sums thus produced would be corroborated by a different process, namely, by adjusting the expenditure of a previous year (after excluding extraordinary charges peculiar to that year,) with the whole amount of reductions ordered since the expiration of that year, as far as it can be ascertained. Although the result of such a test can only be considered approximative, still, in framing an estimate which is necessarily liable to uncertainty, an additional check drawn from materials prepared for a different purpose, will further aid the judgment as to its probable accuracy. With regard to the amount of reductions ordered since the more vigorous retrenchments began, which followed the close of the Burmese war, those which were calculated to improve the financial results of the year 1828-29, were shown in statements laid before the Committee of the House of Lords in 1830*. Additional reductions were computed with reference still to that year in the Prospective Estimates laid before the Committee of the House of Commons in March and July 1831 †; but in a statement called for by the Board, and dated 22d February 1832 ‡, a more particular detail of the whole of the reductions of Indian allowances and establishments ordered, both Civil and Military, from the preceding year, 1827-28, when the principal retrenchments commenced, down to the period of the latest advices, has been furnished by the Court, and has since been laid before the Committee. The various heads of Indian charge have been examined, with a view to ascertain the effect to be expected from these reductions when they shall have attained their full operation, and by deducting their amount from the adjusted charge of the year 1827-28, the future probable charge will be nearly ascertained. The result of the examination thus made will be noticed in the course of these remarks.

Bengal

* Report from Lords' Committee, printed for the House of Commons, p. 525.
† Minutes of Evidence, 1830-31, p. 170. Report of Commons' Committee, 1831, p. 558.
‡ *Vide* Financial Appendix, No. 7.

Appendix, No. 23.

Memorandum on the Court's Prospective Estimate of 10 March 1832.

Bengal Charges.

For greater convenience of comparison in the Abstract Statement * already referred to, the *Civil Charges* of Bengal in the three years 1827–28 to 1829–30, and according to the Prospective Estimate, exclusive of the expense of buildings and fortifications, and of interest on debt, have been brought into a total. From this total has been deducted, for the purpose of comparison, all charges on account of Malwa opium, which are excluded from the Prospective Estimate, besides the advances for the manufacture both of Bengal opium and of salt, which do not constitute an expense of establishment.

* Appendix (B.)

The net Civil Charges will then stand thus:

In 1827–28 - - - - - - - -	*Sa. Rs.* 4,22,52,580
1828-29 - - - - - - - - -	3,82,83,353
1829–30 - - - - - - - - -	3,36,92,457
and by the Prospective Estimate - - - - - - -	3,61,41,100

The effect of the proposed adjustment of the several heads of the charges of 1827-28, by deducting the extraordinary expenditure of the year and applying to each head the total computed reductions, will now be shown. The total of the reductions is taken, for although the whole may not be fully effected by the year 1834, some few, on the other hand, were effected before the close of 1827–28, and are not included in the Statement.

The charges in the various departments have been minutely examined upon the above principle, and the reductions applied to each head; and the following Statement shows the general result:

Net Civil Charges of 1827–28, exclusive of buildings and interest -		*Sa. Rs.* 4,22,52,580
Deduct, for arrears and extraordinaries, included in 1827–28 under the several heads - - - -	*Rs.* 28,84,000	
Civil and Marine reductions, per Statement of 22d February last - - - - - - -	23,77,980	
Reductions of provincial battalions, classed with Civil Charges, but included in the Military reductions in that Statement - - - -	7,02,625	
		59,64,605
Net adjusted Civil Charges of 1827–28 - -		*Sa. Rs.* 3,62,87,975

This view of the charges may therefore be considered as corroborating the Prospective Estimate of *Rs.* 3,61,41,100. The amounts shown in that document, which is founded upon the accounts of 1829–30, being taken rather low, in comparison with the adjusted charge of 1827–28, indicates that the reductions have operated effectively in the year 1829–30, and may be expected to do so equally in future.

The expense of *Buildings and Fortifications* is estimated at 33 lacs, which is nearly five lacs more than in 1829–30, but it is less than in the two preceding years. For 1830–31, it is estimated at *Rs.* 30,14,200, and the estimates of this expenditure are usually exceeded.

The *Military* Charge of Bengal was in 1827–28 - - -		*Sa. Rs.* 3,86,57,753
Arrears of war charges were defrayed in that year, amounting to -		5,07,123
There remains - - -		*Rs.* 3,81,50,630
The reductions are computed at - - - - -	*Rs.* 50,54,063	
From which deducting those of the provincial battalions taken in the Civil branch - - - - - - - -	7,02,625	
There remains to be deducted - - -		43,51,438
Leaving as the future Prospective Charge, in this view -		*Sa. Rs.* 3,37,99,192

The Prospective Estimate founded upon the accounts of 1829–30 takes the charge at 328 lacs of sicca rupees. It is to be observed, that some reductions of the army took place prior to those contained in the Statement of February 1832. Their precise effect cannot with accuracy be ascertained, as separate accounts of reductions were not then kept, but a lower estimate of military charge, founded as it is upon the expenditure of 1829–30, may on the above ground be admissible.

The charge for *Interest* on the Bengal debt, computed in the Prospective Estimate at *Sa. Rs.* 1,99,91,200, demands particular consideration. As all the principal operations connected with the debt of India are carried on at Calcutta, under the superintendence of the Supreme Government, the Interest here estimated is regulated by the amount of debt which, it is considered, will probably be required to answer all the demands upon the Indian treasuries which the ordinary resources from revenue are not equal to meet.

 The

Appendix, No. 23.

Memorandum on the Court's Prospective Estimate of 10 March 1832.

The amount actually paid for interest in 1829–30, was *Sa. Rs.* 1,53,48,508

But the amount actually due upon the then existing debt is taken by the Court at - - - - - - - - - - - - - *Sa. Rs.* 1,61,50,000

It was actually *Rs.* 1,61,84,193.

It is computed by the Court that further debt will be incurred in 1832–33 and 1833–34 to cover the Home charges, to remit bullion in repayment of a part of the debt due to the Commercial branch, and to pay to the captors the Deccan and Bhurtpore booty, amounting in all to *Sa. Rs.* 1,70,00,000, the interest on which, at five per cent. per annum, is - - - - - - 8,50,000

Sa. Rs. 1,70,00,000

The remaining debt due to the Commercial branch in 1834 was computed by the Court, in an Estimate prepared for the Committee of the House of Commons in July 1831, at - - - - - - - £. 3,440,946

And the interest upon it at - - - - - - - 2,292,176

Making a Total of - - - £. 5,733,122

Five per cent. interest upon that sum is 286,656 *l.*, to realize which at 1 *s.* 11 *d.* per sicca rupee, they considered would require to be remitted from India - - - - - - - - - - - - - *Rs.* 29,91,200

Making the Total Interest - - *Sa. Rs.* 1,99,91,200

But this calculation assumed, in accordance with the Order of the Committee, that the advances to Commerce since 1829 were to be repaid at 1 *s.* 11 *d.* per sicca rupee, and that the same rate is to be applied to the entire balance due to the Commercial branch in 1834, whereas the rates established by the Board are those applicable to both. The use of these rates the Court have now estimated would diminish the total debt to Commerce to 3,378,584 *l.*, to which they add the expected loss in effecting remittances to meet interest bills, estimated at 1,300,000 *l.* (not before included), making the total 4,678,584 *l.* It is now assumed by the Court that this sum is repaid at 1 *s.* 9.247 *d.* per sicca rupee, to effect which additional debt must be incurred, occasioning a charge for interest which would fall short of the former calculation only to the amount of - - - - - - - - - - 3,48,799

Leaving the Net Amount of annual Interest payable in Bengal - *Sa. Rs.* 1,96,42,401

The first inquiry suggested by this part of the Estimate is, to what extent loans are likely to be required to carry on the public service to 30th April 1834.

The Estimates for India for the years 1830–31* and 1831–32 assume, that in the former year 48 lacs of new debt at interest would be incurred, and in the latter 79 lacs would be paid off, after providing for the required remittance of one crore of rupees to England, and the payment of the Deccan and Bhurtpore prize property. This would show a net decrease of debt in April 1832 of 31 lacs, but this decrease cannot be relied upon, as it is known that the Indian surplus revenue of 1830–31, assumed at 185 lacs of rupees, including the charge of stores received from Europe, will, so far as Bombay is concerned, fall short of being realized by about 30 lacs of rupees. The land revenue of Bengal will also have fallen below the estimated produce by nearly 15 lacs, reducing the local surplus from 185 to 140 lacs. The Home charges of 1830–31, excluding Territorial stores, would require about 122 lacs of sicca rupees, and may probably have been met by the surplus; but it is very unlikely that debt could also have been discharged from it.

The result of 1831–32 was expected by the Bengal Accountant-general, in his Sketch Estimate, to be 44 lacs more favourable than the preceding year. The retrenchments of a prospective character may somewhat improve the result, but not to that extent, and other improvements are of very doubtful character. It may however be fairly presumed, that the Indian surplus, with some aid to be derived from the cash balances, if it is found insufficient,

* 1830–31: Estimated Debt at Interest.

Bengal, incurred - - - - - -	*Net* 24,78,744
Madras, ditto - - - - - - -	18,94,100
Bombay, ditto - - - - - - -	4,54,000
Total to be incurred - - -	*Rs.* 48,26,844

1831–32: Estimated Debt at Interest.

Bengal, paid off at interest - - - - -	*Net* 92,85,300
Madras, incurred - - - - - - -	13,70,830
To be paid off—Difference - - -	*Rs.* 79,14,470

cient, will furnish the means to defray the Home charges in 1830–31 and 1831–32 taken together, and if the years 1832–33 and 1833–34 yield similar results, no additional debt will be required to meet those charges. An extraordinary remittance to England in 1832–33 is ordered of 600,000 *l.* to meet the wants of the Home Treasury for 1833–34, which may render it necessary to borrow that amount, or, at 1 *s.* 11 *d.* per rupee, the rate of a bullion remittance, *Sa. Rs.* 62,60,869. 62 ½ lacs, if borrowed at five per cent., would occasion an increase to the interest in 1829–30, taken at - - *Sa. Rs.* 1,61,84,193

Of - - - - - - - - - - - - - - - -	3,13,000
Making a Total of - - -	1,64,97,193
Instead of the amount assumed by the Court - - - - - -	1,70,00,000

With respect to the debt that would still be due from Territory to Commerce, it is supposed in the Estimate to occasion a further charge for interest of - *Sa. Rs.* 29,91,200

Or, after deducting the adjustment for exchange - - - - - -	3,48,799
A further Charge of - - - *Rs.*	26,42,401

In this statement it is computed by the Court, that the balance due in 1834 shall be repaid at such rate as shall realize the amount of that balance in England, for which purpose the rate of 1 *s.* 9.247 *d.* per sicca rupee is employed. It is to be presumed, however, that the balance will be repaid in India for investment or remittance at the rate established for all transactions between the two branches, viz. 2 *s.* 3.84 *d.* per sicca rupee. Moreover, the charge for loss on remittances to meet Interest Bills, as it is calculated by the Court, has been disallowed by the Board: an account of any such loss has been directed to be prepared upon a modified principle, but it has not yet been received. It is very difficult to estimate with any precision what sum may be due upon the amount between the two branches in 1834. For the present it has been thought advisable to draw out the account between the Territorial and Commercial branches*, from 30th April 1829, in a more simple form, from materials contained in the accounts prepared at the India House, but using exclusively the Board's rates of exchange, giving credit for the remittances as actually ordered, and omitting for the present the loss on remittances to meet interest bills.

The result is, that a balance would remain outstanding on 30th April 1834, consisting of

Principal - - - - - - - - - - - - - -	£. 1,634,271
And adding Interest, as computed by the Court - - - - - -	2,149,309
The Total Balance would be - - -	£. 3,783,580

But the Board have determined that a different mode of computing interest shall be adopted, and that the amount of unappropriated surplus profits shall in each year be deducted from the balances on which the Court have calculated interest, since those profits which are applicable to Territorial purposes, have in part supplied the means of paying the Territorial charges in England. This alteration, it is estimated, will reduce the amount of interest during the whole period by about 1,300,000 *l.*, leaving the balance at 2,483,580 *l.*, which if raised in Bengal, would require at the Board's rates, *Sa. Rs.* 2,14,10,172 to repay it; occasioning an annual charge at five per cent. interest of - - - - - - *Sa. Rs.* 10,70,508

Total Balance - -	£. 3,783,580
Deduct - -	1,300,000
There remains -	£. 2,483,580

which added to the interest before shown, viz. - - - - - -	1,64,97,193
will make the total Charge for Interest in Bengal after 1834 - - -	1,75,67,701
The Interest estimated by the Court being - - - - - - -	1,96,42,401
the decrease under the head of Interest at Bengal will be - - *Sa. Rs.*	20,74,700

This charge for Interest will be subject to increase by the interest on any sum allowed by the Board for loss on remittances to meet Interest Bills, and to reduction in so far as Surplus Commercial Profits are applied to the discharge of India debt under the 57th section of the Act of 53 Geo. 3, c. 155. The amount of these sums, and especially of the latter, is dependant on so many contingencies, that they cannot be estimated at this time with any accuracy.

The total Charges of Bengal, including Interest on the Debt, are taken in the Court's Prospective Estimate, at - - - - - - - - - - *Sa. Rs.* 9,74,83,501

or at 2 *s.* per current rupee - - - - - - - - - -	£. 11,308,086
The total Revenues of that Presidency being estimated at - - -	13,327,240
a surplus Revenue is thus expected to be realized in Bengal to the amount of -	£. 2,019,154

The proposed alterations of this Estimate will be applied hereafter.

Madras

* Appendix (D).

Appendix, No. 23.

Memorandum on the Court's Prospective Estimate of 10 March 1832:

Madras Charges.

The irregularity in the amount of the Charges of recent years which has been noticed with regard to the Charges of Bengal, is not observable in those of Madras. The Court assume that the entire expenditure of the latter Presidency will be Madras rupees 4,60,72,520.

The adjustments made upon the expenditure of 1829–30, are as follow:

Total Charges of 1829–30 - - - - - - - -		*Ms.Rs.* 4,77,74,953
Add—		
Future payment to Tanjore creditors - - - -	*Rs.* 6,39,720	
Further Interest on the Carnatic Fund, and small adjustments - - - - - - - - -	1,57,847	
		7,97,567
		4,85,72,520
Deduct—		
Further Civil Reductions - - - - - -	*Rs.* 5,00,000	
Further Military Reductions - - - - -	20,00,000	
		25,00,000
Total Charges, per Prospective Estimate - -		*Ms.Rs.* 4,60,72,520

Applying to the Charges of the several departments the adjustments upon the results of 1827–28 for extraordinaries and for reductions, as in the Bengal Charges, the total net amount will thus appear:

The *Civil Charges*, exclusive of Buildings and Fortifications, and Interest on Debt, were in 1827–28 - - - - - - - - - -		*Ms. Rs.* 1,77,46,754
Deduct—		
Excess of Charge for repair of Tanks, &c. in that year -	*Rs.* 4,00,000	
Reductions in Civil and Marine Departments, according to Statement of 22d February last - - - -	9,64,432	
		13,64,432
Net adjusted Civil Charge - -		*Ms. Rs.* 1,63,82,322

The Prospective Estimate assumes those Charges at *Rs.* 1,68,97,097.

The Civil Charges of the Madras Presidency might on this view be estimated somewhat lower; but as the more extensive Civil Charges of Bengal have been taken on a low scale, it would not be safe to assume a less amount of Civil Charge in the aggregate than the Court have taken.

The Charge for *Buildings and Fortifications* is estimated at *Rs.* 8,85,000. In 1829–30 it was *Rs.* 9,91,532: the average between this and previous years seems to have been adopted.

The *Military* Charges are estimated at *Rs.* 2,57,00,000.

Those of the year 1827–28 were - - - - - -		*Ms. Rs.* 3,41,03,300
But in that year a large sum was brought to account for War Charges and Arrears of not less than - -	*Rs.* 56,00,000	
The Reductions, according to the Statement before referred to, are computed at - - - -	29,22,806	
Together - -		85,22,806
Leaving a net adjusted Charge of - -		*Ms.Rs.* 2,55,80,494

which approximates very nearly to the Court's Estimate.

The Interest on the Debt is supposed to increase to 20 lacs of rupees. The increase chiefly arises from the gradual accumulation of the Carnatic Deposit, or the fund set apart from the revenues of the Carnatic for the discharge of the debts of the late Nabobs. This fund will not be equal to the discharge of those debts till some time after the year 1834, so that the full charge is taken in the Estimate.

The total Charges of Madras are estimated at - - - -	*Ms.Rs.* 4,60,72,520
or at 8*s* per pagoda, equal to 3 ½ rupees - - - - - -	£. 5,265,431
The Revenues having been taken at - - - - - - - -	5,451,554
a surplus Revenue is expected at Madras amounting to -	£. 186,123

Bombay Charges.

The Charges of this Presidency have too frequently exceeded the Estimates, and their aggregate amount very far exceeds all the receipts which have hitherto been realized to meet them. The retrenchments, however, which have taken place in every department, have, of late years, considerably reduced the expenditure.

The

The adjustments made by the Court upon the charges of 1829–30, in framing their Prospective Estimate, are as follow:

The total Charges of that year were - - - - - -			*By. Rs.* 3,21,95,341
Deduct further reductions:			
Civil Department - - - - - - -		*Rs.* 5,50,000	
Marine ditto - - - - - - - -		2,00,000	
Military ditto - - - - - - - -		19,00,000	
		26,50,000	
Sundry small adjustments - - - - - -		1,15,341	
			27,65,341
Total Charges, per Prospective Estimate - - -			*Rs.* 2,94,30,000

The further saving from reductions is calculated to arise from such as had not taken effect on the 30th April 1830.

In making adjustments upon the amount of charge in 1827–28, it is necessary to bear in mind that in the General department some alterations have occurred since that year, the effect of which is not shown in the statement of reductions, but which have operated to increase the real or apparent amount of present charge; such are the charges on the stamp revenue not previously included as charge, the net revenue only being stated, and the additional payment to the Civil funds.

The *Civil* Charges, excluding Buildings and Interest, adjusted in like manner with those of Bengal and Madras, were, in 1827–28 - - - - - -			*By. Rs.* 1,63,42,927
Deduct excess of charge for Pensions in that year - -		*Rs.* 11,42,000	
Reductions in Civil and Marine departments, per Statement of 22d February last - - - - - - -		11,52,698	
		22,94,698	
Less, charges on account of Stamps, added since 1827–28 - - - - - - -	*Rs.* 1,66,488		
Additional charge for Civil fund - - -	1,12,000		
		2,78,488	
			20,16,210
Net adjusted Civil Charge - - -			*Rs.* 1,43,26,717

The Prospective Estimate states this charge at *Rs.* 1,44,00,000.

The charge for *Buildings and Fortifications*, estimated at 11 lacs, is taken lower than in the three previous years.

The *Military* Charges have been very materially reduced at this Presidency. In 1827–28, they were - - - - - - - - - - - -			*By. Rs.* 1,82,38,310
The Contingencies of that year were higher than usual by about - - - - - - - -	*Rs.* 7,00,000		
The Reductions expected, according to the Statement of 22d February last, amount to - - - -		33,24,000	
			40,24,000
Leaving a net adjusted Military Charge of - - -			*Rs.* 1,42,14,310

The Court assume the amount at *Rs.* 1,37,30,000.

Retrenchments are still in progress at Bombay; but it admits of doubt whether so considerable a diminution of military charge will be realized.

The head of *Interest* requires no particular remark.

The total Charges of Bombay being assumed in the Prospective Estimate at - - - - - - - - - - - - - - -	*By. Rs.* 2,94,30,000
or at 2*s.* 3*d.* per rupee - - - - - - - - - -	£. 3,310,875
and the total Revenues at - - - - - - - - - -	2,520,000
a deficit is still expected to exist at Bombay to the extent of - - -	£. 790,875

Upon the review of the whole of the estimated charges of India there does not appear ground for computing them at amounts materially differing from those assumed by the Court. They seem generally to be estimated with as much care and accuracy as the nature of an expenditure will admit, which is remarkably variable, and is influenced by numerous causes which it is impossible to foresee, especially at a period several years before that to which it relates.

The net Charge of *Prince of Wales' Island, Singapore*, &c. is estimated at *Sa. Rs.* 5,58,900, or £. 64,832.

 The

Appendix, No. 23.

Memorandum on the Court's Prospective Estimate of 10 March 1832.

The general result in India of the Prospective Estimate, calculated at the rates of exchange used in the accounts annually laid before Parliament, is as follows:—

Surplus revenue in Bengal, after deducting the net charge of Prince of Wales' Island, &c.	£. 1,954,322
Surplus revenue at Madras	186,123
	£. 2,140,445
Deficit at Bombay	790,875
Net estimated surplus Revenue in India in this view	£. 1,349,570

The Revenues and Charges of the several Indian governments having been considered, it remains only to notice the Territorial charges paid in England, the amount of which for the last three years, together with the Prospective Estimate of the Court, are shown in a Statement hereunto annexed. (*see* Appendix (B. 2.)

The Prospective Estimate exhibits the total amount of these charges, including the cost of Political stores, at - - - - - - - - - - - £. 1,640,000

In the Prospective Estimate of July 1831 *, the amount was - - 1,720,405

Being a Decrease of - - - - - £. 80,405

Which decrease is ascertained to arise under the following heads:

Passage of military	£. 10,000
Pay, &c. to officers	5,405
Political freight, &c.	5,000
Pay-office demands	10,000
Political stores	50,000
	£. 80,405

The Home charges in the Prospective Estimate are in the aggregate, including the charge of St. Helena, 1,730,000 *l.*, which is a lower amount than in 1828–29 and 1829–30, but higher than in 1830–31. The excess beyond the latter year, however, arises principally under the head of *Political Stores*, for which no more than 138,430 *l.* was paid in 1830–31, being far below the payment in any previous year. The sum of 300,000 *l.*, included in the estimate, must be considered a low Estimate of this expenditure, looking at the average standard of previous years.

The head of *Pay to Officers on Furlough and Retirement* continues at a high amount, as the list has hardly reached its maximum. The effect of the large augmentations of the Indian armies in 1804 to 1807 is now felt, the period having arrived when the officers of those years are claiming their retirement allowance.

The *Pay-office Charges* are taken lower, in consequence of the reduction in the number of King's regiments in India. The charge of the *Civil Establishments for Absentee Allowances* is one of recent occurrence, the full effect of which is not yet experienced, till which time it must gradually increase. Under other heads the expenditure of average years appears to have been assumed.

The general result of the Court's Prospective Estimate, supposing the present system to continue in operation, is shown to be as follows:

Surplus revenue in India - - - - - - - -	*Sa. Rs.* 1,17,81,557
Which, at the rates of exchange established in the Plan of 1814, will meet the Home charges to the extent of - - - - - - - - -	£. 1,366,660
But will fall short of defraying the whole of those charges, viz. - -	1,730,000
by the sum of - - -	£. 363,340
To which the Court add an amount in compensation for the loss alleged to be sustained by the Commercial branch, by remitting funds to meet the bills drawn upon the Home Treasury for interest on India debt. Some compensation may become due on this head, but the principle of calculating it is in dispute. Any reduction in the Court's rate will diminish the charge, but any increase of bills to be drawn † will augment it. The charge, as computed by them, amounts to *Sa. Rs.* 7,80,028, or at the exchange above mentioned - - - - - - - - - - - - - -	90,483
The Deficit will thus be increased to - -	£. 453,823

The

* Evidence printed in October 1831, p. 559.

† Since the date of the Court's Estimate the privilege of drawing bills for interest has been extended, which will occasion an increasing annual payment in this country on that account.

The revenues of India and the charges upon them, abroad and at home, having been reviewed, it remains only to bring together the modifications suggested in the foregoing remarks, which are as follow:

		Sa. Rs.	Sa. Rs.
Bengal—Revenue from salt might be taken higher by - -		5,00,000	
Ditto, Nagpore subsidy, ditto - - - -		2,00,000	
			7,00,000
Madras—Revenue from profits of Government bank -	Ms. Rs. 80,000 at 106.62 per 100 sicca rupees		75,033
Bengal—Charge for interest on debt, should be less by - - - - -			20,74,700
Total Improvement - -			Sa. Rs. 28,49,733
Which would reduce the deficit under the existing system, as shown by the Court, of - - - - - - - - - - - - -			39,12,264
to - - -			Sa. Rs. 10,62,531
which, at the Board's rates, would produce - - - - - - -			£. 123,253
instead of the sum assumed by the Court - - - - - - -			453,823
being a diminution of the Deficiency, amounting to - - -			£. 330,570

The deficiency of 123,253 *l.* will be subject to alteration, according as the circumstances noticed under the head of Interest on Debt in Bengal, shall enhance or diminish that charge; and according as the loss on remitting funds to pay interest bills shall undergo correction.

	Sa. Rs.
The second view taken by the Court, namely, the result in case the present system ceases, and the Territory is left to its own resources, shows the same amount of surplus in India as in the former view - - - - -	1,17,81,557
From this is deducted the cost of remitting the funds for interest bills, and for advances to various institutions not included in the Home charges, which at 1 *s.* 9.247 *d.* per sicca rupee, would require an additional sum of -	14,25,747
This charge would in the case, and at the rate of remittance, supposed, be no longer a doubtful or disputed one, for the loss sustained must then be made good, as the present regulation will have ceased. There would then be applicable to the Home charges - - - - - - - - -	1,03,55,810
The improvement above shown as resulting from the modifications suggested in the Prospective Estimate, namely - - - - - - -	28,49,733
will add that amount to the Indian surplus, making the Total - -	Sa. Rs. 1,32,05,543
which if remitted at 1 *s.* 9.247 *d.* per rupee, will produce - - - - -	£. 1,169,076
and the Home charges amounting to - - - - - - - -	1,730,000
the Deficiency will be reduced to - -	£.* 560,924
subject to the possible alterations under the head of Interest, above noticed.	
To this result would be added, according to the Court's view of their ultimate claims, interest on the expenditure of † 3,616,113 *l.* in India, in the wars which preceded the acquisition of the Dewannee - - - - -	180,805
And interest on the Home-bond debt, taken at 3,600,000 *l.*, alleged to be Territorial - - - - - - - - - - - - - - -	90,000
Making the total annual Deficiency - -	£. 831,729

† Vide note to Statement (C.) p. 350.

Besides any interest or annual payment on account of any property of the Company, in their Commercial capacity, existing upon the Indian territories.

It should be clearly understood that the deficiency assumed in the views above given is the estimated result of the Indian finances in the year 1834, provided that no material defalcation of resources occurs; that the whole of the reductions actually ordered are carried into effect; that they are not counteracted by subsequent increase of charge; that peace continues, both in India and in Europe; and on the other hand, that the remittances to meet the Territorial charges in England cannot be effected at a more favourable rate than that assumed by the Court, of 1 *s.* 9.247 *d.* per sicca rupee. Considering the great uncertainty at what rate the remittances can be effected through other than the channels hitherto employed, and the probability that much may be realized by bills on India, to which operation the rate assumed applies, it has appeared safer and better suited to the present purpose of estimating the contingent state of the Indian finances at a distant period, not to alter the rate of remittance adopted by the Court.

It

* A Prospective Estimate presented to the House of Lords, since the date of this Memorandum (5 July 1832), varies in some respects from the present, the principle of statement prescribed by the terms of their Lordship's order being different, and the period not exclusively confined, as in this case, to the year 1834.

Appendix, No. 23.

Memorandum on the Court's Prospective Estimate of 10 March 1832.

It is not the object of the present remarks to enter into the important consideration of the prospects that may be supposed to exist for the further amelioration of the Indian finances, so as to render India financially independent of extraneous aid, to enable it to reduce the debts incurred during the prosecution of expensive wars, and to render it better prepared to sustain the expense of hostilities or hostile preparations, should they become necessary; but it may not be irrelevant to offer a concluding observation or two bearing on that subject.

It must be admitted that, in reference to the above-mentioned objects, the result of the Indian finances, whether present or prospective, is far from satisfactory. There is little or no prospect of its improvement by means of new or increased resources; retrenchment and economy in expenditure appear to be the chief remedy. Much has been effected in the way of retrenchment during the last few years, and it is satisfactory to observe that the expenditure has been brought more nearly to accord with the income; but if retrenchment be the only available means of improvement, much more remains to be done, and according to the views taken by the home authorities, as will be presently referred to, it is not unreasonable to expect that more may still be effected.

In the Statement of Reductions *, which has been frequently noticed, two columns are introduced, one showing to what extent the important recommendations of the Civil Finance Committee, who were long and laboriously engaged in Calcutta in revising the civil establishments of all the Presidencies, had been carried into effect; the other showing to what extent those recommendations had not yet been acted upon. It is not improbable that some of these latter recommendations, which by the last advices were under consideration, have before this time been adopted. Several of the more extensive measures, however, involve material and fundamental alterations of system, the consideration of which requires mature deliberation and caution, and several could only be adopted under authority of the Legislature, while in proportion as the changes proposed are extensive and untried, the financial benefit of them must be considered as less certain. But independently of greater changes, there would appear to be scope for considerable amelioration, on a comparison of the present standard of expenditure with that of the year 1823–24, to which, as being that of a recent year of peace in India, preceding the last war with the Burmese State, the Court, in their letter of 12th December 1827, directed that it should be reduced. The extent to which that object remains unaccomplished is shown by the Accountant-general of Bengal (Mr. Morley), in a comparative Statement inserted in his letter of 15th June 1831, upon which he makes the following remarks:

"The following Statement of the actual charges of the year 1829–30, contrasted with those of 1823–24, is framed upon the principle laid down in the 14th paragraph of the Honourable Court's despatch, under date 12th December 1827, from which it will appear, that in order to regain the level of the expenditure of the year 1823–24, prescribed by the Honourable Court as the scale by which the charges of the Government should be regulated, your Honourable Vice-president in Council will have to effect further reduction of charges to the extent of about 80 lacs of rupees."

The comparative Statement to which Mr. Morley refers is appended to this paper †. It is, however, to be observed, that a large portion of the excess beyond the charge of 1823–24 consists of increase of interest on the debt, which is stated to amount to nearly 32 lacs of rupees, the reduction of which must depend upon the more distant and difficult operation of the diminution of the India debt, or of the rate of interest paid upon it. But, independently of this amount, there remains a balance of 48 lacs, in which the existing establishments exceed those which were found sufficient for the government of India previously to the breaking out of the Burmese war. If the new charge of the districts ceded by that power is deducted, namely, seven lacs of rupees, the balance or net excess is 41 lacs, exclusive of increased interest.

The object of retrenchment has been further impressed upon the Indian government, since the date of the orders of 12th December 1827, above referred to. The Court's circular letter of 10th March 1830, drew their attention to the considerable excess in the civil charges above their amount in 1816–17, as apparent on a comparison of the establishments of that year with those of 1826–27, as laid before Parliament, and they were directed to reconsider every item of increased charge, and every augmentation in the number of persons employed, both European and Native, with a view of reducing, as far as practicable, the offices, establishments and salaries to the state in which they were in 1816–17, after allowing for increase from annexations of territory since that period.

In the letter to Bengal, Statements of the comparative rate of the various heads of charge were transmitted; and that Government was particularly directed to consider the augmented rate of charge for collecting the land revenues and customs, the former, in the Lower Provinces, having increased from 4 $\frac{2}{3}$ to 8 per cent., and the latter from 10 $\frac{1}{3}$ to 19 per cent.

Information has since been received from Bengal, that, in September 1830, the civil auditor had been directed to prepare statements in conformity with the instructions above referred to, with a view to the reduction of the charges, as far as practicable, to the standard of 1816–17. No advice of further proceedings has yet been received.

India Board, 9th May 1832. *Wm. Leach.*

* *Vide* Financial Appendix, No. 7.

† *Vide* Financial Appendix, No. 5.

APPENDIX TO MEMORANDUM ON THE PROSPECTIVE ESTIMATE.

(A.)

DETAILS of the PROSPECTIVE ESTIMATE of the INDIAN FINANCES, forwarded with Mr. Auber's Letter to the Board, dated the 10th ultimo, drawn out on the same principle as those of the Estimate presented to the Select Committee of the House of Commons in July 1831.

REVENUES:	BENGAL.	MADRAS.	BOMBAY.
	Sicca Rupees.	*Madras Rupees.*	*Bombay Rupees.*
Mints, Post-office, Stamps, Judicial -	44,00,000	9,00,000	6,00,000
Land Revenue, &c. - - - -	7,06,00,000	3,45,00,000	1,63,50,000
Customs - - - - - -	67,50,000	51,00,000	41,00,000
Ceded Territory (including Burmese Cessions) - - - - -	43,50,000	—	—
Salt - - - - - - -	1,80,00,000	37,00,000	2,00,000
Opium - - - - - -	1,00,00,000	- - -	10,00,000
Marine - - - - - -	2,90,000	68,000	1,50,000
Subsidies - - - - -	5,00,000	34,33,100	—
	11,48,90,000	4,77,01,100	2,24,00,000
		at 106.62 to 100 *Siccas.*	
Sicca Rupees	11,48,90,000	4,47,39,355	2,10,09,192
TOTAL Revenues of India - - - *Sicca Rupees*			18,06,38,547

CHARGES:	BENGAL.	MADRAS.	BOMBAY.
	Sicca Rupees.	*Madras Rupees.*	*Bombay Rupees.*
Civil Charges (including Provincial Battalions) - - - - - -	77,00,000	28,00,000	44,50,000
Mints, Post-office, Stamps - - -	15,00,000	5,10,000	3,50,000
Judicial - - - - - -	89,00,000	31,50,000	24,00,000
Land Revenue, &c. and Customs -	1,38,00,000	95,00,000	57,00,000
Ceded Territory (including Burmese Cessions) - - - - -	11,00,000	—	—
Salt - - - - - - -	58,00,000	7,20,000	—
Opium - - - - - -	25,00,000	—	—
Marine - - - - - -	10,00,000	1,67,800	15,00,000
Buildings, &c. - - - - -	33,00,000	8,85,000	11,00,000
Military - - - - - -	3,28,00,000	2,57,00,000	1,37,30,000
Tanjore Deposit - - - -	- - -	6,39,720	—
Interest - - - - - -	1,99,91,200	20,00,000	2,00,000
	9,83,91,200	4,60,72,520	2,94,30,000
		at 106.62 to 100 *Siccas.*	
Sicca Rupees	9,83,91,200	4,32,11,892	2,76,02,701
TOTAL Charges of India - - - *Sicca Rupees*			16,92,05,793
Indian Surplus - - - - - - - -			1,14,32,754
		Sicca Rupees	18,06,38,547

(Errors excepted.)

East India House, 12 April 1832.

(signed) *James C. Melvill*, Audr Indian Accots.

(B. 1.)

PROSPECTIVE ESTIMATE of the State of the FINANCES of INDIA at the close of the East India Company's present Term, transmitted to the Board by the Court of Directors, on the 10th March 1832, compared with the Actual Accounts of those Finances in the three Years 1827–28 to 1829–30, and with the Estimates for the Year 1830–31: the whole framed, generally, on the principles of the Accounts presented to Parliament.

	Actual, 1827–28.	Actual, 1828–29.	Actual, 1829–30.	Court's Prospective Estimate of 10 March 1832.	Regular Estimate, 1830–31.
BENGAL REVENUES:	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*
Mints - - - - Post-office - - - Stamps - - - - Judicial - - - -	Sk. Est. 50,80,000 Reg. Est. 47,07,000 47,61,390	46,95,000 45,85,000 43,89,846	46,09,000 46,32,000 45,20,823	44,00,000	47,20,000
Land, &c. Revenue - -	Sk. Est. 7,14,70,000 Reg. Est. 7,23,90,000 7,17,80,522	7,21,30,000 7,14,90,000 7,06,66,812	7,17,00,000 7,17,30,000 7,06,58,714	7,06,00,000	7,18,75,000
Customs - - - -	Sk. Est. 67,00,000 Reg. Est. 70,15,000 71,70,115	69,40,000 69,00,000 72,04,061	70,00,000 70,60,000 65,21,307	67,50,000	Probable Actual, 7,04,02,000 67,52,000
Ceded Territory and Tributes	Sk. Est. 49,50,000 Reg. Est. 31,95,000 40,12,985	52,50,000 50,90,000 39,47,613	51,00,000 46,20,000 33,55,579	43,50,000	45,65,000
Burmese Cessions - -	7,54,197	10,11,435	9,49,279		10,57,000
Salt - - - - -	Sk. Est. 2,05,50,000 Reg. Est. 2,11,00,000 2,05,36,873	2,00,00,000 1,94,00,000 1,96,10,556	1,68,10,000 1,66,50,000 1,64,34,370	1,80,00,000	1,83,00,000
Opium - - - -	Sk. Est. 1,33,00,000 Reg. Est. 1,69,20,000 1,76,86,387	1,60,00,000 1,55,60,000 1,66,45,613	1,51,20,000 1,51,50,000 1,52,62,092	1,00,00,000	1,37,00,000
Behar and Benares Opium, included above 1826–27: 81,48,533	1,14,85,943	1,11,94,842	1,11,07,859	The whole.	1,24,00,000
Marine - - - -	3,31,775	3,16,608	2,89,995	2,90,000	3,05,000
Nagpore Subsidy - -	- - -	- - -	- - -	5,00,000	5,70,000
TOTAL, exclusive of Temporary Receipts - - *Rs.*	12,70,34,244	12,37,92,544	11,79,92,159	11,48,90,000	12,18,44,000
Receipts from Ava - -	16,03,537	14,99,111	7,92,747	- - -	6,00,000
Do. - *Bhurtpore* -	- - -	7,74,291	3,98,544	- - -	3,00,000
Do. - *Scindia* - -	- - -	13,89,826	—	—	—
TOTAL Bengal Revenues - *Rs.*	12,86,37,781	12,74,55,772	11,91,83,450	- - -	12,27,44,000
Or, at the rate used in the Parliamentary Accounts, viz. 2 *s.* per Current Rupee - -	£. 14,921,983	£. 14,784,870	£. 13,825,280	£. 13,327,240	£. 14,238,304
MADRAS REVENUES:	*Ms. Rs.*	*Ms. Rs.*	*Ms. Rs.*	*Ms. Rs.*	*Ms. Rs.*
Mints - - - - Post-office - - - - Stamps - - - - Judicial - - - -	9,31,710	9,20,590	8,97,884	9,00,000	9,24,729
Land, &c. Revenue, including Tobacco - - - -	Sk. Est. 3,72,95,000 Reg. Est. 3,67,31,997 3,42,92,262	3,66,57,400 3,64,72,973 3,48,15,231	3,60,50,000 3,63,66,253 3,36,99,778	3,45,00,000	3,46,50,777

	Actual, 1827–28.	Actual, 1828–29.	Actual, 1829–30.	Court's Prospective Estimate of 10 March 1832.	Regular Estimate, 1830–31.
	Ms. Rs.	*Ms. Rs.*	*Ms. Rs.*	*Ms. Rs.*	*Ms. Rs.*
MADRAS REVENUES—*cont^d.*	Sk. Est. 46,55,000 Reg. Est. 48,58,567	48,97,000 51,79,586	51,39,600 53,03,568		
Customs - - - - -	49,58,881	53,37,560	51,68,848	51,00,000	51,67,725
	Sk. Est. 30,50,000 Reg. Est. 28,13,448	29,00,000 34,96,865	34,50,000 35,86,742		
Salt - - - - - -	30,29,183	35,38,644	41,08,391	37,00,000	40,00,000
Marine - - - - -	68,275	68,667	78,373	68,000	67,500
Subsidies - - - - -	34,33,111	34,33,111	34,33,111	34,33,100	34,33,111
Profits of the Government Bank	80,164	87,615	—	—	—
TOTAL - - - *Rs.*	4,67,93,586	4,82,01,418	4,73,86,385	4,77,01,100	4,82,43,842
Or, at the Parliamentary rate, viz. 2*s.* 3 $\frac{3}{7}$ *d.* p' rupee	£. 5,347,838	- - -	£. 5,715,587	£. 5,451,554	£. 5,513,582
Native Pension Fund - - -		5,80,262			
		4,87,81,680			
	£.	5,575,049			
BOMBAY REVENUES:	*By. Rs.*	*By. Rs.*	*By. Rs.*	*By. Rs.*	*By. Rs.*
Mint - - - - - - Post-office - - - - - Stamps - - - - - Judicial - - - - -	3,65,103	3,15,494	6,02,168	6,00,000	6,07,300
	Sk. Est. 1,75,00,000 Reg. Est. 1,92,62,400	1,80,14,000 1,90,04,300	1,85,06,300 1,86,54,900		
Land, &c. - - - - -	1,83,84,563	1,61,62,103	1,61,17,261	1,63,50,000	1,81,24,700
	Sk. Est. 29,28,500 Reg. Est. 34,01,740	34,01,000 41,49,050	40,06,000 40,98,000		
Customs - - - - -	35,08,188	37,68,490	42,96,088	41,00,000	41,54,100
	Sk. Est. 1,66,100 Reg. Est. 1,53,840	1,59,500 1,92,800	1,85,400 1,83,900		
Salt - - - - - -	1,77,190	1,85,820	2,43,129	2,00,000	2,18,400
Marine - - - - -	1,63,405	2,95,223	2,65,289	1,50,000	2,33,200
Opium - - - - -	- - -	- - -	- - -	10,00,000	14,00,000
TOTAL - - - *Rs.*	2,25,98,449	2,07,27,130	2,15,23,935	2,24,00,000	2,47,37,700
Or, at the Parliamentary rate, viz. 2*s.* 3*d.* p' rupee	£. 2,542,325	£. 2,331,802	£. 2,421,443	£. 2,520,000	£. 2,782,991
PRINCE OF WALES ISLAND REVENUES:	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*
Land Revenue - - -	3,88,610	4,13,624	2,83,596	- - -	5,31,000
	£. 45,079	£. 47,980	£. 32,897	- - -	£. 61,596

(*continued*)

	Actual, 1827–28.	Actual, 1828–29.	Actual, 1829–30.	Court's Prospective Estimate of 10 March 1832.	Regular Estimate, 1830–31.
BENGAL CHARGES:	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*
Civil, including Provincial Battalions - - - -	1,07,29,813	83,82,834	77,79,114	77,00,000 5,58,900 * 71,41,100	80,29,596
Mint - - - - -					
Post-office - - - -	19,17,145	16,03,219	15,77,840	15,00,000	14,44,000
Stamps - - - -					
Judicial - - - -	96,74,099	91,78,952	73,88,775	89,00,000	94,06,000
Land Revenue, &c. - -	1,37,71,538	1,31,22,347	1,07,95,315	1,38,00,000	1,51,34,000
Customs - - - -	10,93,172	10,74,922	9,32,308		9,69,000
Ceded Territory - - -	5,94,157	5,69,663	11,90,820	11,00,000	7,33,000
Burmese Cessions - -	7,14,713	4,52,458	7,34,362		7,15,000
Salt Advances and Charges -	69,68,296	76,21,151	47,24,328	58,00,000	40,00,000
Opium - - - -	56,74,607	58,49,603	41,46,656	25,00,000	31,96,957
Marine - - - -	10,15,044	10,21,165	11,07,311	10,00,000	10,71,835
TOTAL Civil Charges - -	5,21,52,584	4,88,76,314	4,03,76,829	4,17,41,100	4,46,99,368
Deduct, Charge of Malwa Opium, Advances for Salt and Opium, &c.	99,00,004	1,05,92,961	66,84,372	Supposed, 56,00,000	52,10,759
Net Civil Charges - - -	4,22,52,580	3,82,83,353	3,36,92,457	3,61,41,100	3,94,88,638
Buildings and Fortifications -	47,28,366	34,21,794	28,38,752	33,00,000	30,14,200
Military - - - -	3,86,57,753	3,66,52,804	3,47,76,829	3,28,00,000	3,34,05,569
			Adjustment of Exchange -	1,99,91,200 3,48,799	
Interest on Debt - - -	1,47,60,802	1,62,98,318	1,53,48,508	1,96,42,401	1,68,00,000
TOTAL Bengal Charges, exclusive of Temporary Heads	11,02,99,505	10,52,49,230	9,33,40,918	9,74,83,501	9,79,19,157
Adjustment in Opium Account - - -		14,87,878	—	—	—
		10,37,61,352			
Gratuity to Troops, Burmese War - - - -	7,86,472	33,668	—	—	—
Deccan Booty, carried to Account before, as Revenue -	51,80,218	- - -	34,36,887	—	—
TOTAL - - - *Sa. Rs.*	11,62,66,195	10,37,95,020	9,67,77,805	—	—
Or at 2s. per Current Rupee -	£. 13,486,879	£. 12,040,222	£. 11,226,225	£. 11,308,086	£. 11,358,622

* Net Charge, Prince of Wales Island, &c.

	Actual, 1827–28.	Actual, 1828–29.	Actual, 1829–30.	Court's Prospective Estimate of 10 March 1832.	Regular Estimate, 1830–31.
MADRAS CHARGES:	*Ms. Rs.*	*Ms. Rs.*	*Ms. Rs.*	*Ms. Rs.*	*Ms. Rs.*
	29,18,272	27,31,669	25,79,853	- - -	24,98,395
Carnatic Petty Claims	5,425	2,24,333	2,32,017	- - -	2,28,000
Civil - - - - -	29,23,697	29,56,002	28,11,870	28,00,000	27,26,395
Mints - - - - -					
Post-office - - - -	5,17,850	5,22,697	5,42,210	5,10,000	5,16,425
Stamps - - - - -					
Judicial - - - - -	32,52,823	32,47,786	32,74,107	31,50,000	31,60,924
Land Revenue and Customs -	1,02,36,870	95,74,722	96,33,492	95,00,000	96,26,910
Salt - - - - - -	6,51,175	7,22,064	6,99,248	7,20,000	6,76,543
Marine - - - - -	1,64,339	2,91,788	1,96,357	1,67,800	1,89,900
TOTAL Civil Charges - -	1,77,46,754	1,73,15,059	1,71,57,284	1,68,47,800	1,68,97,097
Buildings and Fortifications -	7,16,418	6,91,670	9,91,532	8,85,000	5,84,304
Military - - - - -	3,41,03,300	3,01,37,727	2,78,24,338	2,57,00,000	2,65,50,990
Tanjore Debts - - -	- - -	- - -	- - -	6,39,720	—
Interest on Debt - - -	15,66,468	17,43,630	18,01,799	20,00,000	19,33,006
TOTAL Charges of Madras - - - *Ms. Rs.*	5,41,32,940	4,98,88,086	4,77,74,953	4,60,72,520	4,59,65,397
Or at 2 *s.* 3 $\frac{3}{4}$ *d.* per rupee -	£. 6,186,622	£. 5,701,495	£. 5,459,995	£. 5,265,431	£. 5,253,188
BOMBAY CHARGES:	*By. Rs.*	*By. Rs.*	*By. Rs.*	*By. Rs.*	*By. Rs.*
Civil - - - - -	42,20,278	48,69,387	41,46,974	44,50,000	43,36,300
Mint - - - - -					
Post-office - - - -	1,99,865	1,88,995	3,57,879	3,50,000	4,18,310
Judicial - - - - -	27,15,088	25,38,266	25,67,868	24,00,000	22,73,700
Land Revenue and Customs -	73,15,591	56,89,920	63,18,123	57,00,000	64,55,400
Marine - - - - -	18,92,105	16,23,061	17,71,769	15,00,000	15,54,100
TOTAL Civil Charges - *Rs.*	1,63,42,927	1,49,09,629	1,51,62,613	1,44,00,000	1,50,37,810
Buildings, &c. - - -	12,71,891	11,09,227	13,68,459	11,00,000	11,43,500
Military - - - - -	1,82,38,310	1,64,50,359	1,54,76,404	1,37,30,000	1,49,40,100
Interest on Debt - - -	2,42,044	2,00,865	1,87,865	2,00,000	3,55,400
TOTAL Charges of Bombay - - *By. Rs.*	3,60,95,172	3,26,70,080	3,21,95,341	2,94,30,000	3,14,76,810
Or at 2 *s.* 3 *d.* per rupee -	£. 4,060,707	£. 3,675,384	£. 3,621,976	£. 3,310,875	£. 3,541,141
PRINCE OF WALES ISLAND, SINGAPORE, &c. CHARGES:	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*	*Sa. Rs.*
Civil - - - - -	13,93,687	11,91,178	10,57,089	- - -	3,35,000
Buildings, &c. - - -	91,170	1,88,739	1,01,519	- - -	
Military - - - - -	2,09,300	1,51,012	1,62,068	- - -	
Interest - - - - -	17,448	2,586	1,822	- - -	
CHARGES - *Rs.*	17,11,605	15,33,515	13,22,498	—	—
Deduct, Revenues - - - -	3,88,610	4,13,624	2,83,596	- - -	5,31,000
NET CHARGE - - -	13,22,995	11,19,891	10,38,902	5,58,900	Net Revenue, 1,96,000
Or at 2 *s.* per Ct. rupee -	£. 153,467	£. 129,908	£. 120,513	£. 64,832	£. 22,736

GENERAL RESULT in *India*, at the Rates of Exchange used in the Parliamentary Accounts.

	1827–28.	1828–29.	1829–30.	Court's Prospective Estimate.	Regular Estimate, 1830–31.
REVENUES:	£.	£.	£.	£.	£.
Bengal - - - - -	14,921,983	14,784,870	13,825,280	13,327,240	14,238,304
Madras - - - - -	5,347,838	5,575,049	5,715,587	5,451,554	5,513,582
Bombay - - - -	2,542,325	2,331,802	2,421,443	2,520,000	2,782,991
Net Revenue of Prince of Wales Island, &c. - - - -	- - -	- - -	- - -	- - -	22,736
TOTAL Revenues - - £.	22,812,146	22,691,721	21,962,310	21,298,794	22,557,613
CHARGES:	£.	£.	£.	£.	£.
Bengal - - - - -	13,486,879	12,040,222	11,226,225	11,308,086	11,358,622
Madras - - - - -	6,186,622	5,701,495	5,459,995	5,265,431	5,253,188
Bombay - - - -	4,060,707	3,675,384	3,621,976	3,310,875	3,541,141
Net Charge of Prince of Wales Island, &c. - - - -	153,467	129,908	120,513	64,832	—
TOTAL Charges - - £.	23,887,675	21,547,009	20,428,709	19,949,224	20,152,951
Surplus REVENUE - - £.	- - -	1,144,712	1,533,601	1,349,570	2,404,662
Surplus CHARGE - - £.	1,075,529	—	—	—	—

(B. 2.)

PROSPECTIVE ESTIMATE of TERRITORIAL CHARGES paid in *England*, with the Amount of those Charges in the last Three Years.

	1828–29.	1829–30.	1830–31.	Prospective Estimate of 10 March 1832.
	£.	£.	£.	£.
Passage of Military - - - -	72,730	8,357	28,348	50,000
Pay, &c. to Officers, including Off-reckonings - - - - -	388,072	542,254	491,551	470,000
Political Freight and Demorage - -	106,663	99,065	62,462	90,000
Pay-office Demands for King's Troops in India - - - - -	354,800	317,712	295,649	270,000
Retiring Pay, &c., King's Troops -	60,000	60,000	60,000	60,000
Political Charges General - - -	366,532	374,406	333,834	350,000
Expenses on Account of Prince of Wales Island, Singapore, &c. - - -	6,487	7,266	7,655	10,000
Tanjore Commission - - - -	1,705	1,652	6,942	
Civil Establishments, Absentee Allowance, &c. - - - - -	36,369	32,766	31,457	40,000
Paid to the Government of Persia -	124,444	—	—	—
£.	1,517,802	1,443,478	1,317,898	1,340,000
Territorial Stores - - - -	449,603	297,510	138,430	300,000
Charges of St. Helena - - -	113,054	96,122	97,271	90,000
TOTAL - - £.	2,080,459	1,837,110	1,553,599	1,730,000

(B. 3.)

Appendix, No. 23.

(B.) General Results of the Court's Prospective Estimate of 10 March 1832.

GENERAL RESULTS of the PROSPECTIVE ESTIMATE of the Court of Directors, dated the 10th March 1832, after converting the Surplus Revenue into British Currency, at the Rates which it is expected to realize.

I.—Supposing the existing system to continue.

REVENUES:	*Sa. Rs.*	*Sa. Rs.*
Bengal - - - - - - - - - -	11,48,90,000	
Madras - *M. Rs.* 4,77,01,100 at 106.62 per 100 *Sa. Rs.*	4,47,39,355	
Bombay - *B. Rs.* 2,24,00,000 at - ditto - - -	2,10,09,192	
TOTAL Revenues - - - *Sa. Rs.*		18,06,38,547
CHARGES:	*Sa. Rs.*	
Bengal - - - - - - - - - -	* 9,74,83,497	
Madras - *M. Rs.* 4,60,72,520 at 106.62 per 100 *Sa. Rs.*	4,32,11,892	
Bombay - *B. Rs.* 2,94,30,000 at - ditto - - -	2,76,02,701	
Net Charge of Prince of Wales Island, Singapore, &c. -	5,58,900	
TOTAL Charges - - - - -		16,88,56,990
Surplus Revenue in India - - - *Sa. Rs.*		1,17,81,557
From this Sum is to be deducted the computed Loss in remitting Funds to pay the Bills for Interest on the Indian Debt, or the difference between the rate at which the Bills are drawn, and at which Funds can be remitted to meet them - - - - - - - - -		7,80,028
Amount estimated to be applicable to the payment of the Home Territorial Charges - - - - *Sa. Rs.*		1,10,01,529
This amount will be sufficient at the Board's rate of exchange to meet those Charges to the extent of - - - - - - - -		£. 1,276,177
The Territorial Charges paid in England are estimated at	£. 1,340,000	
The cost of Territorial Stores at - - - - - -	300,000	
The expense of St. Helena at - - - - - -	90,000	
		1,730,000
There remains a Deficit, on this view, of - - - £.		453,823

Or at the Board's rates, *Sa. Rs.* 39,12,264, as shown by the Court.

II.—Supposing the existing system to terminate, and the Trade to be separated from the Territorial management.

	Sa. Rs.
Indian Local Surplus, as before shown - - - - - - -	1,17,81,557
Deduct, Loss in effecting remittances to meet Bills for Interest on the Debt, and Advances to various Institutions not included in the Home Charges, which are estimated by the Court at 689,000 *l.*; which loss arises from the difference between the estimated rate of 1 *s.* 9.247 *d.*, being the average rate of Bills drawn in London on Calcutta in the last three years, and 2 *s.* 2.012 *d.*, the average rate at which the Territory is engaged to effect the remittance - - - - - - - -	14,25,747
Amount remaining applicable to the payment of the Home Territorial Charges - - - - - - - *Sa. Rs.*	1,03,55,810
Which, at 1 *s.* 9.247 *d.*, would produce - - - £.	916,791
This sum deducted from the estimated amount of the Home Charges -	1,730,000
Leaves an annual Deficit, on this view, of - - - £.	813,209
Or at 1 *s.* 9.247 *d.* per rupee, *Sa. Rs.* 91,85,772, as shown by the Court.	(*carried forward*)

* This sum, according to the details recently furnished by the Court, would be *Sa. Rs.* 9,74,83,501, but to produce the result originally stated, an adjustment of four rupees is required in that amount.

Appendix, No. 23.

(B). General Results of the Prospective Estimate of 10 March 1832.

		£.
Brought forward - - - -		813,209
Further Claims of the Company which are as yet undetermined, and of uncertain amount, may eventually be brought forward. Of these Claims the following are stated by the Court, the liquidation of which would augment the annual Deficiency.		
Interest on the sum to be raised to defray the Expenditure in Wars previous to the acquisition of the Dewannee (not including Interest), viz. on * 3,616,113 *l.*, if borrowed at 5 per cent. - - £.	180,805	
Interest on the Home-bond Debt alleged to have been incurred for Territorial purposes, taken at 3,600,000 *l.* at 2½ per cent. the present rate of interest - - - -	90,000	
		270,805
These Charges would increase the annual Deficiency to - - £.		1,084,014

A further eventual claim of the Company is for the value of the several forts, towns, islands, territories and rights abroad, possessed by them as a Commercial corporation, the amount of which has not been stated.

(C.)

(C.) Effect on the Prospective Estimate of suggested Alterations.

STATEMENT of the effect that will be produced upon the PROSPECTIVE ESTIMATE by the Alterations suggested in the Memorandum prepared at the India Board.

I.—Supposing the existing system to continue.	*Sa. Rs.*
Surplus Revenue in India estimated by the Court - - - -	1,17,81,557
Improvement expected according to the Memorandum, as specified on page 341 - - - - - - - - - - - -	28,49,733
Estimated Surplus Revenue in India in 1834 - - - -	1,46,31,290
Deduct Loss in remitting Funds to pay the Bills for Interest on the Indian Debt, as computed by the Court - - - -	† 7,80,028
Amount estimated to be applicable to the payment of the Home Territorial Charges - - - - - - - *Sa. Rs.*	1,38,51,262

* This is the sum alleged to have been expended, exclusive of interest. From this claim, including interest, the Court propose to deduct the amount of the Home Bond Debt in 1780, amounting to 1,514,779 *l.*

† This amount is liable to adjustment. *Vide* Memorandum, page 340.

	£.
This sum will be sufficient, at the Board's rates of exchange, to meet those Charges to the extent of - - - - - - - - -	1,606,747
The Home Territorial Charges being estimated at - - - -	1,730,000
There would remain a Deficit, on this view, of - - - £.	123,253

II.—Supposing the existing system to terminate, and the Trade to be separated from the Territorial Management.

		Sa.Rs.
Indian Local Surplus Revenue, as before shown - - - - -		1,46,31,290
Deduct, Loss in remitting funds to pay Interest Bills, together with advances to various institutions, not included in the Home Charges, if effected at 1 *s.* 9.247 *d.* per *Sa.R.* - - - - - - - -		14,25,747
Amount estimated to be applicable to the payment of the Home Territorial Charges - - - - - - - *Sa.Rs.*		1,32,05,543
Which, if remitted at the above rate, will realize in England - -		£. 1,169,076
And as the Home Charges are estimated at - - - - - -		1,730,000
There will be an annual Deficit, on this view, of - -		* 560,924
If the Court's view of the ultimate Claims of the Company were admitted, there would be added to the above Deficit Interest on the principal sum of 3,616,113 *l.*† stated to have been expended in India in the wars which preceded the acquisition of the Dewannee, supposing the amount to be borrowed at 5 per cent. - - £. 180,805		
Also, Interest on the Home Bond Debt, alleged to have been incurred for Territorial purposes, taken at 3,600,000 *l.*, at 2 ½ per cent. per annum - - - - - - - -	90,000	270,805
In this view the annual Deficit would be increased to - £.		831,729

The Claim on account of Forts, &c. abroad, is here also not included.

* If the whole of the remittances of funds to meet the Home Charges could be effected at 1 *s.* 11 *d.* per sicca rupee, the rate realized by remittances of bullion on the Company's ships, this deficiency would be reduced from 560,924 *l.* to 407,616 *l.*

The results contained in the Court's Estimate apply to the termination of the present Charter. Whenever the Fund now annually set apart for the discharge of the debts of the late Nabobs of the Carnatic shall be sufficient for its purpose, it may be expected that the charges will be reduced, and the results above shown further improved, to the extent of £. 102,387. This is computed to take place about the year 1836.

† *Vide* note on last page.

(D.)

ESTIMATE of the ACCOUNT between the two Branches of the COMPANY'S AFFAIRS to the close of 1833-34, calculated at the Exchanges applicable to their Amount under the Plan of 1814, and with Interest, on the Principle adopted by the Court of Directors.

1829-30:

		£.			£.
Balance due from the Territorial Branch to the Commercial, on 1st May 1829, per General Books - -	£. 3,036,581		By Unclaimed Prize Money received in England - - - - - -		408
Interest accumulated to 30th April 1829 - - - -	1,536,078	4,572,659	By amount of Advances in India—(Actual Receipts and Payments):		
One Year's Interest at 3 per cent. per annum		137,180	Bengal, *Sa. Rs.* 1,64,07,805	£. 1,903,306	
To amount of Territorial Payments in England, China and the Cape - - -		2,131,939	Madras, *Ms. Rs.* 12,45,537	- 142,347	
To amount paid for Interest Bills beyond Remittances - - - - - -		763,832	Bombay, *By. Rs.* 29,08,096	- 327,161	2,372,814
To ½ year's Interest on balance of Advances in the year - - - - - - -		7,838			2,373,222
	£.	7,613,448	By Balance - - -	£.	5,240,226
				£.	7,613,448

1830-31:

		£.			£.
To Balance - - - - - - -		5,240,226	By amount of Advances in India (Regular Estimate):		
To one year's Interest, at 3 per cent. per annum - - - - - -		157,207	Bengal (deducting *Rs.* 20,00,000, China Bills drawn for bullion remitted on the Territorial Account)		
To amount of Territorial Payments in England - - - - - - -		1,836,674	*Sa. Rs.* 2,16,00,000	£. 2,505,600	
To amount paid for Interest Bills beyond Remittances - - - - - -		75,793	Madras, *Ms. Rs.* 6,69,000	- 76,457	
To amount paid out of Unclaimed Prize Money - - - - - -		238	Bombay, *By. Rs.* 16,51,100	- 185,749	2,767,806
			By ½ year's Interest on balance of Advances in the year - - - - - - -		12,826
					2,780,632
			By Balance - - -		4,529,506
	£.	7,310,138		£.	7,310,138

1831–32:

			£.		£.
To Balance - - - - - - -			4,529,506	By net amount of Advances to be made in India, being upon the scale of Investment ordered by Circular Commercial Letter of 4th August 1830 - - - - -	2,341,938
To one year's Interest at 2 ½ per cent. per annum - - - - - - - -			113,237	By ½ year's Interest on balance of Advances in the year - - - - - -	62
To estimated amount of Territorial Charges in England - - - - - - -			1,900,000		2,342,000
To amount paid for Interest Bills beyond Remittances:				By Balance - - -	4,637,743
Interest Bills, &c. - -		£. 1,000,000			
Bullion, China	£. 310,000				
Government Bills - -	27,000				
Advances to individuals	226,000				
		563,000			
			437,000		
		£.	6,979,743	£.	6,979,743

1832–33:

			£.		£.
To Balance - - - - - - -			4,637,743	By net amount of Advances to be made in India, being upon the scale of Investment, ordered per Circular Commercial Letter, of 24th August 1831 - - - -	2,437,410
To one year's Interest, at 2 ½ per cent. per annum - - - - - - -			115,943	By ½ year's Interest on balance of Advances in the year - - - - - -	5,342
To estimated amount of Tertitorial Charges in England - - - - - - -			1,900,000		2,442,752
To amount paid for Bills beyond Remittances:				By Balance - - -	4,320,934
Interest Bills - -		£. 950,000			
Bills on Government - -	£. 40,000				
Territorial Remittances -	800,000				
		840,000			
			110,000		
		£.	6,763,686	£.	6,763,686

1833–34:

			£.		£.
To Balance - - - - - - -			4,320,934	By estimated net amount of Advances in India to Commercial Branch - - -	2,437,410
To one year's Interest, at 2 ½ per cent. per annum - - - - - - -			108,023	By amount of Remittances beyond Interest Bills, supposing 640,000 *l.* to be remitted in this year - - - - - -	100,000
To estimated amount of Territorial Payments in England - - - - -			1,900,000	By ½ year's Interest on balance of Advances in the year - - - - - -	7,967
					2,545,377
				By Balance - - -	*3,783,580
		£.	6,328,957	£.	6,328,957

	£.
* Principal - - - - - - -	1,634,271
Interest - - - - - - -	2,149,309
TOTAL - - - £.	3,783,580

Appendix, No. 24.

Appendix, No. 24.

Charge for Loss on Remittances to meet Interest Bills.

CORRESPONDENCE between the BOARD OF COMMISSIONERS for the Affairs of *India* and the COURT OF DIRECTORS of the EAST INDIA COMPANY, relative to a Charge made against the Territory, for Loss sustained in effecting Remittances from *India* to meet Bills drawn on the Court for the Payment of Interest on INDIA DEBT.

LIST.

Letter from the Honourable J. Stuart Wortley to Peter Auber, Esq.; 24 June 1830 - - - p. 354

- from Peter Auber, Esq. to the Honourable J. Stuart Wortley; 8 July 1830 - - - - p. 354

Enclosure No. 1.—An Account of Profit and Loss on all Goods sold by the East India Company, in the year 1829-30, &c. - - - - - - p. 355

Enclosure No. 2.—Statement of the Adjustment to be made in the Profit and Loss Accounts of 1829-30, with reference to the Out-turn of that portion of the India Investment which may be deemed to have been provided under the arrangement with regard to Interest Bills, laid down in the Plan of 1814, for keeping the Company's Home Accounts; with Enclosures A. to C. p. 356

Letter from Benjamin S. Jones, Esq. to Peter Auber, Esq.; 17 August 1830 - - - - - - p. 363

- from Peter Auber, Esq. to the Hon. J. Stuart Wortley; 9 December 1830 - - - - - p. 364

- from Thomas H. Villiers, Esq. to Peter Auber, Esq.; 2 March 1832 - - - - - - p. 366

CORRESPONDENCE.

LETTER from the Honourable *John Stuart Wortley* to *Peter Auber*, Esq.; dated India Board, 24 June 1830.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will move the Court of Directors of the East India Company to furnish the Board with information of the grounds upon which the recommendation of the Court of Proprietors, held yesterday, in regard to the declaration of a dividend, was founded.

I have, &c.

(signed) *J. S. Wortley.*

LETTER from *Peter Auber*, Esq. to the Honourable *J. Stuart Wortley*; dated East India House, 8 July 1830.

Sir,

I AM commanded by the Court of Directors of the East India Company to acknowledge your letter of the 24th ultimo, requesting information of the grounds upon which the recommendation to the Court of Proprietors, held the 23d ultimo, in regard to the declaration of a dividend, was founded, and in reply thereto I am directed to transmit the enclosed Statements as furnishing the information required.

I have, &c.

(signed) *P. Auber*, Secy.

(Enclosure, No. 1.)

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the EAST INDIA COMPANY in the Year 1829–30 distinguishing *India* and *China*, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce, after defraying all Charges; and converting the Prime Cost of the Investment, so far as it consists of Repayment of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books, in transactions between the two Branches of their Affairs; viz. 2 *s.* the Current Rupee, 8 *s.* the Pagoda, and 2 *s.* 3 *d.* the Bombay Rupee.

—	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize calculated at 5 per cent. on the Sale Amount of the Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade -	1,512,506	103,050	57,592	1,673,148	1,151,856	- - -	521,292
China Trade	1,711,892	477,142	151,874	2,340,908	3,037,483	696,575	—
TOTAL - -	3,224,398	580,192	209,466	4,014,056	4,189,339	696,575	521,292

	£.		£.
Loss upon the India Trade, brought down	521,292	Profit on the China Trade, brought down	696,575
Profit or Loss upon Exports from England to India - (Statements from India, 1829–30, not yet received)	—	Deduct, Supracargoes' Commission on Homeward Trade - - - - - - -	44,766
Charges in India not added to Invoices, also Profit or Loss from Interest and Exchange, and Loss by Bad Debts - - - (Ditto - ditto)	—	Charges in China of the previous year, not added to Invoices - - - -	—
Losses at Sea, including Jettisons, Salvages, and other Losses - - - (No Loss as far as information has been received -)	—	Losses at Sea, including Jettisons, Salvages, &c. (No Loss as far as ascertained)	—
Deduct, Amount of Loss from which the Commercial Department is entitled to be relieved, in respect to Investment from India, provided as a Remittance to meet Bills of Exchange, drawn for Interest of India debt, under the arrangement contained in the Plan of 1814, for keeping the Home Accounts. (*Vide* separate Paper.) -	362,773	*Mem.*—Profit or Loss on the Outward Trade to China is comprehended in the rate of 6 *s.* 8 *d.* the tale.	
Net Loss on the India Trade Outward and Homeward, as far as can be ascertained	£. 158,519	Net Profit on the China Trade, as far as can be ascertained - - - -	£. 651,809

Net Profit on Sales of Merchandize, China Trade, after replacing Cost and Charges of the Investment, and covering Losses by Sea, &c.; brought down - - - - - -	£. 651,809	
Net Loss - - ditto - India Trade - - - ditto - - -	158,519	
Total Profit on Sales (India and China Trade) - -	£.	493,290
Other Profits of the Company:	£.	
Interest on the Annuities - - - - - - - - - - - - - -	36,227	
Ditto - Balance of Advances between the Territorial and Commercial Branches as estimated, end of 1828–29, at rate of Home Bond debt - - - - - - - -	121,729	
Ditto received, charged or paid under other heads - - - - - - - - -	55,749	
Surplus of Sums charged upon Private Trade Goods beyond amount of Commercial Charges General in England, not debited to the Company's own Trade - - - - - -	2,561	
Profit on the Company's own Ships - - - - - - - - - - -	24,170	
Estimated Profit at the Colonies of the Cape and North America - - - - - -	14,843	
		255,279
Total Commercial Profits of the Company, as far as can be ascertained - -	£.	748,569
Dividends to the Proprietors of Stock - - - - - - - - - -		630,000
SURPLUS, after payment of Dividends - - -		118,569
Deduct, Interest on Bonds provisionally charged to the Commercial Account - - -		114,973
	£.	3,596

East India House,
7 July 1830.

(Errors excepted.)

Thomas G. Lloyd,
Acct General.

Appendix, No. 24.

Charge for Loss on Remittances to meet Interest Bills.

(Enclosure, No. 2.)

STATEMENT of the ADJUSTMENT to be made in the PROFIT and LOSS ACCOUNTS of 1829–30, with reference to the Out-turn of that portion of the India Investment which may be deemed to have been provided under the arrangement, with regard to Interest Bills, laid down in the Plan of 1814, for keeping the Company's Home Accounts, (Suggestion 5, as altered and amended by the Board) *see* Sections 55 & 56 of the Act of 1813.

(A.) THE particulars of the arrangement referred to, are contained in the annexed extract from the plan of 1814. Its intention appears to be to secure the Commercial branch from loss in effecting this portion of the Territorial Remittance from India in goods, although in consequence of the altered rates of exchange at which bills for interest of India debt have been drawn upon the Court of Directors since this arrangement was framed, the terms in which it is expressed would, at the present time, give to the Commercial branch an advantage which it is presumed it was not intended that it should derive. The provision being that an average out-turn, at least of 2 *s.* 6 *d.* per sicca rupee, shall be secured to the Commercial branch from all goods sold at the Company's sales furnished from this source, whilst the issue for their purchase in India being stipulated to be made at the rates at which the bills are discharged, (those rates for the greater part now being 2 *s.* 1 *d.* and 2 *s.*, the difference between those rates, and the average produce per rupee at the Company's sales, which for the last five years has not reached 2 *s.*), a literal execution of this arrangement would be attended with a considerable gain to the Commercial branch.

Assuming then that this arrangement shall be acted upon according to what appears to be its spirit, it next becomes necessary to determine the amount of investment which may be considered to have been furnished under its provisions, and to have passed the Company's sales.

The credit to which the Commercial Department has been entitled in India from the Territorial Revenues, since 1814, on account of that portion of the Territorial expenditure defrayed from the Home Treasury, which is technically termed "Territorial Charges," having been placed prior in order of application to purposes of investment, to that to which it has been entitled in respect of interest bills, no part of the issues in India to the Commercial department under the provisions of the Act of 1813, can be deemed to have relation to the latter, until the Territorial expenditure in England classed under the former division, has been fully liquidated.

Sec. 56, Act 1813.

A Statement has been drawn up from the Accounts between the Territorial and Commercial branches, as forwarded with the Finance letters to India, wherein is shown the excess or deficiency of the "Territorial Charges" defrayed in England, above or below the amount of the issues for investment in India of the nature referred to, in each year since 1814–15, and the combination of these results in the form of an Account Current is carried on from year to year, being in fact, the particulars contained in the Statements, No. 1, in the before-mentioned series of Accounts, omitting the sums transferred to their debit or credit from the Statements marked No. 2, in the same series, and with the introduction of the calculation of interest, upon the principle observed in the General Account between the Territorial and Commercial branches.

(B.) By this Statement (B.) it appears, that with the exception of the year 1824–25, the aggregate issues in India for investment under the Act of 1813, have up to the year 1827–28 been short of the aggregate of the "Territorial Charges" defrayed in England, with the accruing interest; the small balance of an opposite description which appears in 1824–25, having been counterbalanced in the two following years.

In the last two years of the series, the issues for investment exceed the "Territorial Charges" in the following sums; viz.,

In 1827–28 - - - - - - -	£. 608,436
1828–29 - - - - - - -	863,214

Showing an amount of investment to have been in course of provision in each of those years, derived from funds other than "Territorial Charges," viz. interest bills, together with other advances comprised under that division of the account between Territory and Commerce; and requiring adjustment upon the principles of the arrangement laid down in the plan of accounts.

According to the accustomed computation, the sales of 1829–30 in England are composed equally of goods procured by the funds issued in India in 1827–28 and 1828–29. The investments, therefore, of those years derived from interest bills, will be to be adjusted in those proportions, according to the net out-turn yielded by the sales of 1829–30.

From

Charge for Loss on Remittances to meet Interest Bills.

(C.)

From another Statement (C.) which has been drawn out, it appears that the average rate at which the balance of bills unprovided for up to 1827–28, had been discharged in England, was 2 *s.* 3^{561}*d.* per sicca rupee, and including 1828–29, 2 *s.* 3^{599}*d.* per sicca rupee.

The average rates at which all the issues in India for commercial purposes were charged to the Commerce in those two years, according to the values severally affixed to the currencies of Bengal, Madras and Bombay, were in 1827–28, 2 *s.* 4^{045}*d.*; in 1828–29, 2 *s.* 4^{012}*d.*

The rates at which the interest bills have been discharged up to 1828–29 thus being less than the rates at which the Commerce has been charged in account by the Territory in the two years under consideration, the amount to be made good to the Commerce on each rupee invested in goods, provided in those two years, upon the principles of the arrangement under consideration, will be the difference by which the out-turn of the goods, when sold, may fall short of the last-mentioned rates.

The rate per sicca rupee of the net produce of the Indian investment at the Company's sales in 1829–30, (deducting interest and insurance at the average rate of the Company's losses at sea) was per sicca rupee 1 *s.* 5^{358}*d.*, being 10^{687}*d.* per sicca rupee short of the rate at which issues for Commercial purposes were made in India in 1827–28; and 10^{654}*d.* per sicca rupee, short of the rate at which sums were issued on the same account in 1828–29.

The portion of Loss from which the Commercial Branch will be entitled to be relieved, as respects the Sales of this Year, by debiting it to the "Political Department," in conformity with the Arrangement of 1814, is as under:

Amount of Investment supplied on Account of Remittance for Discharge of Interest Bills:	One-half of each of the preceding Sums computed to enter into the Sales of 1829-30, ONE-HALF.	Issued to the Commercial Branch in India at the Rates already stated, producing the Number of Rupees shown below.
	£. s. d.	*Sicca Rupees.*
In 1827–28, as per Statement - £. 608,436	304,218 a' 2 4^{045}	26,03,399
1828–29, - ditto - - 863,214	431,607 a' 2 4^{012}	36,97,904
		£.
A short produce of 10^{687}*d.* per sicca rupee is therefore to be made good to the Commercial Branch, on sicca rupees 26,03,399 amounting to - -		115,927
And of 10^{654}*d.* - - ditto - ditto - on 36,97,904 - ditto - - -		164,156
The remaining portion of the Investment supplied on this account in 1827–28, or 304,218 *l.* according to the usual computation, entered into the sales of 1828–29: the adjustment in respect of its produce must therefore be governed by the out-turn of that year, which was 1 *s.* 8^{422}*d.* per sicca rupee, being a deficiency below the rate at which the Investment was provided of 7^{628}*d.*, or on sicca rupees 26,03,399, pounds sterling 82,690, which sum might have been adjusted in the accounts of last year, and not having been so done, is now brought forward for adjustment - - - - - - - - - - - - -		82,690
Total Amount to be made good to the Commercial Branch - - £.		362,773

It will be requisite that a corresponding adjustment be made in the Accounts between the Territorial and Commercial branches.

Appendix, No. 24.

Charge for Loss on Remittances to meet Interest Bills.

(A.)

EXTRACT from the Plan for arranging the Company's Home Accounts, framed in the Year 1814, (relative to the Remittances for Discharge of Bills of Exchange for Interest of India Debt.)

Suggestions by the Court in regard to the preparation of Accounts under the New Charter.

5. THAT an account be opened under the head of Bills of Exchange drawn from India on account of the Interest of Indian Debt; the debit side to exhibit the amount of payments made in England by the Company in each year on such account; the credit side to exhibit,

1st. The amount of monies that may be received in England in repayment of advances made in India on account of His Majesty's Government.

2dly. The amount of monies that may be received in England for bills to be drawn on India.

3dly. The amount of bills of exchange drawn in the Company's favour for advances made to individuals in India.

4thly. For advances made in India to the Company's commercial servants for investment to be specifically provided in India from the funds, to the amount which England shall be drawn upon for the payment of interest on the Indian debt.

Remarks, Alterations, Amendments and Additions, by the Board of Commissioners.

THE Board fully approve the keeping the transactions to which this head of account applies, entirely distinct and separate from that of the general Territorial account. The manner of debiting the payments in England under this head, as now proposed, is correct. The formation of the credit side, by bringing to account the remittances through the four modes which are pointed out, calls for no further remark, as to the three first, than as it may relate to the uncertainty of their amount respectively, from being exposed to contingencies, as to the advances to the public service, and being experimental as to the transactions with individuals. As to the fourth mode, or the remittance to be made through the channel of the Company's Commerce, which is designed to embrace whatever amount may be required to be remitted beyond what shall have been provided for by the other modes, the Board, in reference to the several discussions which have taken place on this subject, have thought proper to agree that an arrangement be made on the following principles:

The balance found remaining under this head of account, at the close of the year, after giving full credit for all remittances received from India in the course of the year, whether in bills or certificates upon Government, or bills upon individuals paid or payable, or in receipts from individuals for bills on India, to be added to the amount of Territorial Charges to be repaid from the Political Treasury in India to the Commercial Department there, and to be applied by that department at the option and risk of the Company; but the amount of this balance to be converted into Indian currency at the rate of exchange at which the bills may be drawn; provided always, that if in any year the Company's trade from India shall not realize upon an average 2*s.* 6*d.* the sicca rupee, the Political Department shall be debited for the amount of the deficiency which shall be found to have arisen on the sum to which this head of account relates.

(B.)

ABSTRACT ACCOUNT between the TERRITORIAL and COMMERCIAL BRANCHES of the Company's Affairs, from 1814–15 to 1828–29, in respect to Territorial and Political Payments in *England*, separately from the Transactions which relate to the Remittance of India Debt.

	£.		£.
1814–15.			
To excess of Payments in England above amount issued for Investments in India, calculated at the rates of exchange fixed in 1814 - - -	535,005		
To six months' Interest, at rate of Company's Home-bond debt - - -	14,712		
£.	549,717	By Balance - - - £.	549,717
1815–16.			
To Balance - - - £.	549,717	By excess of Issues in India above amount paid in England, calculated at same rates of exchange - -	264,621
To one year's Interest, at rate of Company's Home-bond debt - - -	30,043	By six months' Interest, at rate of Company's Home-bond debt - - -	7,185
			271,806
		By Balance - - -	307,954
£.	579,760	£.	579,760
1816–17.			
To Balance - - - £.	307,954		
To one year's Interest, at rate of Company's Home-bond debt - -	15,398		
To excess of Payments in England above amount issued for Investments in India, calculated at the rates of exchange fixed in 1814 - - -	180,512		
To six months' Interest, at rate of Company's Home-bond debt - - -	4,513		
£.	508,377	By Balance - - - £.	508,377
1817–18.			
To Balance - - - £.	508,377		
To one year's Interest, at rate of Company's Home-bond debt - - -	24,995		
To excess of Payments in England above amount issued for investments in India, calculated at the rates of exchange fixed in 1814 - - -	208,327		
To six months' Interest, at rate of Company's Home-bond debt - - -	5,035		
£.	746,734	By Balance - - - £.	746,734

(continued)

(B.)—*continued.*

1818–19.

	£.		£.
To Balance - - - £.	746,734		
To one year's Interest, at rate of Company's Home-bond debt - - -	29,869		
To excess of Payments in England above amount issued for Investments in India, calculated at the rates of exchange fixed in 1814 - - -	729,596		
To six months' Interest, at rate of Company's Home-bond debt - - -	14,592		
£.	1,520,791	By Balance - - - £.	1,520,791

1819–20.

To Balance - - - £.	1,520,791	By excess of Issues in India above amount paid in England, calculated at same rates of exchange - -	44,774
To one year's Interest, at rate of Company's Home-bond debt - - -	60,831	By six months' Interest, at rate of Company's Home-bond debt - -	895
			45,669
		By Balance - - - -	1,535,953
£.	1,581,622	£.	1,581,622

1820–21.

To Balance - - - £.	1,535,953	By excess of Issues in India above amount paid in England, calculated at same rates of exchange - -	306,595
To one year's Interest, at rate of Company's Home-bond debt - - -	61,438	By six months' Interest, at rate of Company's Home-bond debt - -	6,132
			312,727
		By Balance - - -	1,284,664
£.	1,597,391	£.	1,597,391

1821–22.

To Balance - - - £.	1,284,664	By excess of Issues in India above amount paid in England, calculated at same rates of exchange - -	45,596
To one year's Interest, at rate of Company's Home-bond debt - - -	51,386	By six months' Interest, at rate of Company's Home-bond debt - -	912
			46,508
		By Balance - - - -	1,289,542
£.	1,336,050	£.	1,336,050

1822–23.

To Balance - - - £.	1,289,542	By excess of Issues in India above amount paid in England, calculated at same rates of exchange - -	119,444
To one year's Interest, at rate of Company's Home-bond debt - - -	51,044	By six months' Interest, at rate of Company's Home-bond debt - -	2,339
			121,783
		By Balance - - - -	1,218,803
£.	1,340,586	£.	1,340,586

(B.)—*continued.*

1823-24.

	£.		£.
To Balance - - -	1,218,803	By excess of Issues in India, above amount paid in England, calculated at same rate of exchange - -	723,065
To one year's Interest, at rate of Company's Home-bond debt - -	42,658	By six months' Interest at rate of Company's Home-bond debt -	12,653
			735,718
		By Balance - - -	525,743
£.	1,261,461	£.	1,261,461

1824-25.

To Balance - - -	525,743	By excess of Issues in India, above amount paid in England, calculated at same rate of exchange - -	739,156
To one year's Interest, at rate of Company's Home-bond debt - -	18,217	By six months' Interest, at rate of Company's Home-bond debt -	12,678
	543,960		
To Balance - - -	207,874		
£.	751,834	£.	751,834

1825-26.

To excess of Payments in England above amount issued for Investments in India, calculated at the same rates of exchange - - - -	11,669	By Balance - - -	207,874
To six months' Interest, at the rate of Company's Home-bond debt -	218	By one year's Interest at rate of Company's Home-bond debt - -	6,995
	11,887		
To Balance - - -	202,982		
£.	214,869	£.	214,869

1826-27.

		By Balance - - -	202,982
To excess of Payments in England, above amount issued for Investments in India, calculated at the same rates of exchange - - - - -	265,086	By one year's Interest, at rate of Company's Home-bond debt - -	8,119
			211,101
To six months' Interest at rate of Company's Home-bond debt - -	5,301	By Balance - - -	59,286
£.	270,387	£.	270,387

1827-28.

To Balance - - -	59,286		
To Balance applied to Investments out of the Remittance fund - -	608,436	By excess of Issues in India, above amount paid in England, calculated at same rates of exchange - £.	667,722
£.	667,722		

1828-29.

To Balance applied to Investments on account of the Remittance fund £.	863,214	By excess of Issues in India, above amount paid in England, calculated at same rates of exchange - £.	863,214

(C.)

STATEMENT to show the Rates at which BILLS of EXCHANGE drawn for Interest of INDIA DEBT, and on other accounts, comprised in the Remittance Branch of the Accounts between the TERRITORIAL and COMMERCIAL DEPARTMENTS, have been discharged in *England* since 1814, and the Average Rate of those which remained unprovided for by Remittances, otherwise than through the Company's Commerce, at the end of 1827–28 and 1828–29, respectively.

	£.		Sicca Rupees.
1814–15. Excess of Payments for Bills, above the Remittances realized for meeting them - - - - -	233,901	a' 2/6	18,71,208
1815–16. - - - Ditto - - - Ditto - - -	291,757	—	23,34,056
£.	525,658	- - S.Rs.	42,05,264
1816–17. Deduct, Excess of Remittances realized beyond the amount of the Payments for Bills - - -	230,101	a' 2/6	18,40,808
£.	295,557	- - S.Rs.	23,64,456
1817–18. Excess of Payments - - - - - - - -	337,499	a' 2/6	26,99,992
1818–19. - Ditto - - - - - - - - -	162,623	—	13,00,984
1819–20. - Ditto - - - - - - - - -	72,659	—	5,81,272
1820–21. - Ditto - - - - - - - - -	416,805	—	33,34,440
£.	1,285,143	- - S.Rs.	1,02,81,144
1821–22. Deduct, Excess of Remittances - - - -	196,725	a' 2/6	15,73,800
£.	1,088,418	- - S.Rs.	87,07,344
1822–23. Deduct - Ditto - - - - - - -	374,389	a' 2/5.90	30,05,129
£.	714,029	- - S.Rs.	57,02,215
1823–24. Excess of Payments - - - - - - -	2,204,514	a' 2/5.30	1,80,57,453
£.	2,918,543	- - S.Rs.	2,37,59,668
1824–25. Deduct, Excess of Remittances - - - -	170,122	a' 2/3.48	14,85,781
£.	2,748,421	- - S.Rs.	2,22,73,887
1825–26. Excess of Payments - - - - - - - -	1,030,892	a' 2/0.83	99,63,212
1826–27. - Ditto - - - - - - - - -	407,422	a' 2/1.54	38,28,214
1827–28. - Ditto - - - - - - - - -	427,397	a' 2/0.93	41,14,301
£.	4,614,132	- - S.Rs.	4,01,79,614
(Average rate to end of 1827-28, 2/3.561.)			
1828–29. Deduct, Excess of Remittances - - - -	55,959	a' 2/0.77	5,42,194
£.	4,558,173	- - S.Rs.	3,96,37,420

(Average rate to end of 1828–29, 2/3.599.)

LETTER from *Benjamin S. Jones*, Esq. to *Peter Auber*, Esq.; dated India Board, 17 August 1830.

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Charge for Loss on Remittances to meet Interest Bills.

Sir,

I AM directed by the Commissioners for the Affairs of India to acknowledge the receipt of your letter, dated the 8th ultimo, in which you communicate to me, by the command of the Court of Directors, two Statements explanatory of the grounds upon which the recommendation to the Court of Proprietors, held on the 23d of June, in regard to the declaration of a dividend, was founded.

The Board have observed in the Statement of Profit and Loss on all goods sold by the East India Company in the year 1829–30, that credit is taken for the sum of 362,773 *l.* "as the amount of loss from which the Commercial department is entitled to be relieved, in respect to investment from India, provided as a remittance to meet bills of exchange drawn for interest of India debt, under the arrangement contained in the Plan of 1814, for keeping the Home accounts."

This item appears for the first time in the statement of Profit and Loss for the year 1829–30.

The Board are willing to admit that the intention of the Plan of 1814 was to secure the Commercial branch from loss in effecting the remittance to England in goods of funds for the repayment to the Company of sums advanced from their Home Treasury, in discharge of bills drawn for interest of Indian debt; but the Board are not prepared to admit that such loss has arisen; for "trade from India" is not confined, in their opinion, to such remittances in goods as may come directly from India to England, but embraces likewise the remittances which come circuitously through China; and the out-turn of the rupee remitted from India can only be found on a view of the results of both these modes of remittance. The Board believe that the Court will find that in every year since 1814 the out-turn of the rupee so remitted directly and circuitously from India, has exceeded the rate of exchange at which the interest bills have been paid.

But although this circumstance is of itself sufficient to impose upon the Board the duty of disallowing the charge of 362,773 *l.* which the Court have brought against the Territorial revenues, in the statement under consideration, the Board feel that there is an assumption in that statement which requires from them some observation.

The Court state, "That the credit to which the Commercial department has been entitled in India from the Territorial revenues since 1814, on account of that portion of the Territorial expenditure defrayed from the Home Treasury, which is technically termed 'Territorial Charges,' having been placed prior in order of application to purposes of investment to that to which it has been entitled in respect of interest bills, no part of the issues in India to the Commercial department, under the provisions of the Act of 1813, can be deemed to have relation to the latter, until the Territorial expenditure in England, classed under the former division, has been fully liquidated," and the Court refer in the margin to the 56th section of the Act of 1813 as that from which their inference is drawn.

But the Board must request the Court to direct their attention, not only to the 56th but to the 55th, 57th and 58th sections of the Act of the 53d Geo. 3, for it appears to the Board that the intention of the Legislature can only be gathered from a combined view of all the sections which have reference to the application of the revenues and profits of the Company.

By the 55th section, the Territorial revenues are first to be applied to defraying Military charges in India. "Secondly, in payment of the interest accruing on the debts owing, or which may be hereafter incurred by the said Company, in the East Indies or parts aforesaid, *including that portion thereof for which bills shall be demanded, payable in England, and for which provision shall at all times be made by consignments or remittances* to England, as the said Court of Directors, with the approbation of the said Commissioners for the Affairs of India, shall from time to time direct." Thirdly, in defraying expenses of Civil and Commercial establishments in India. Fourthly, towards the liquidation of the Territorial or the bond debt, or to such other purposes *subject to the provision hereinafter made*, as the Court of Directors, with the approbation of the Board, shall direct.

"The provision hereinafter made," is found in the section immediately subsequent, to which the Court have referred; viz. the 56th; and it is this, "that a sum equal to the actual payments which shall have been made from the Commercial funds at home on account of Territorial charges in the year preceding, after deducting therefrom the charges of the Commercial establishments, and all the Commercial charges in India, which may have been paid from the Territorial revenues in the same year, shall in each and every year be issued in India for the purpose of the said Company's India or China investment, or of remittance to England on account of the said Company, at the option of the said Court of Directors."

It appears, therefore, on a view of these two sections, that the issue of sums in India in repayment of Territorial charges defrayed in England is to come *before* the application of Territorial revenue to the liquidation of Territorial or bond debt; but that it is to be made *after* providing for the first, second and third heads of appropriation specified in the 55th section, of which the second is the payment of the interest of India debt, "*including that portion thereof for which bills shall be demanded, payable in England, and for which provision shall at all times be made by consignments or remittances to England.*" But the Board must

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must likewise draw the attention of the Court to the 57th section, which provides that the profits of the Company in England shall be first applied to "the payment of bills of exchange already accepted, and hereafter to be accepted by the said Company, as the same shall become due;" and to the 58th section, which, after enacting that the profits of the Company in England shall not be liable to the liquidation of any charge on account of the Territorial or Political government of India payable in England, or of any bills of exchange or certificates drawn on account of the Territorial or Political charge in India, till after the dividend on the capital stock of the said Company shall first have been provided for, expressly excepts "such bills and certificates for the amount of which value shall have been previously paid in India from the Territorial and Political funds, and consignments or remittances made thereof to England for the liquidation of the said bills and certificates;" that is, it expressly excepts the bills of exchange for the interest of Indian debt, for the payment of which the 55th section directed that provision should at all times be made by consignments and remittances to England.

The Legislature having thus expressly directed that funds shall be set apart for the payment of the interest of Indian debt, and that provision *shall be, at all times,* made for consignments or remittances to England, to defray that portion of it for which bills shall be demanded, payable in England, and having further distinctly given to this application of the Territorial revenues the preference over any repayment in India, of sums advanced on Territorial account in England, the Board cannot admit the supposition that, until the year 1827–28, no funds for this purpose have been remitted to England, and that the payment of bills of exchange drawn on this account has, until that year, altogether depended on the pleasure of the Company; nor can the Board deem it to be consistent with their duty to allow that not only the Act of Parliament shall be disregarded by applying Territorial remittances to the repayment of advances made in England on Territoral account, in preference to the payment of bills drawn on account of interest of Indian debt, but that this last application of the Territorial revenues, for which Parliament has so specifically and carefully provided, shall be postponed till the Company have received interest on their advances to the Territory, a charge which, however equitable it may be in principle, was never contemplated by the Legislature in 1813.

The conclusions of the Board, therefore, are these:

1st. That the result of the direct and circuitous remittances from India being considered, there has been no loss to the Company by such remittances as have been made in goods to meet the charge of that portion of the interest of the Indian debt which has been paid in England.

2d. That under the Act of 53d Geo. 3, the first sums set apart in India for remittance to England, must be held to be applicable to the payment of the interest bills drawn on England, not otherwise provided for; and therefore that the out-turn of the remittance in each year, since 1814, must be compared with the rate of exchange at which the interest bills have been paid in each year, in order to ascertain whether the Commercial branch has sustained any loss by the transaction.

I have, &c.

(signed) *B. S. Jones.*

LETTER from *Peter Auber*, Esq. to the Hon. *J. Stuart Wortley*; dated East India House, 9th December 1830.

Sir,

I HAVE received and laid before the Court of Directors Mr. Jones's letter of the 17th August 1830, in which he communicated the observations of the Board of Commissioners for the Affairs of India, upon the statements forwarded with my letter of the 8th July last, as explanatory of the ground upon which the recommendation of the Court of Proprietors held on the 23d June, in regard to the declaration of a dividend, was founded; and I have been directed to transmit to you the following reply.

In framing the statements to which the Board's observations have reference, the Court were guided by what appeared to them to be the precise and positive provisions of the Plan of 1814, upon the point under discussion; in which the out-turn of the Company's trade from India, was established as the standard by which the existence and extent of any deficiency which might arise in making the remittances through the Company's Commerce for the payment of interest bills was to be decided. The appropriate sense in which the term "Trade from India," or "India Trade" has been uniformly employed in the Accounts of Profit and Loss which have been rendered to the Board, has been that of designating the direct trade from that country to England, whilst the term "China Trade" or "Trade from China," has been similarly employed to denote the investment directly consigned from China to this country. Both trades have in effect served as channels by which the far greater part of the remittance annually required by the Territory for the discharge of its engagements in this country, has been accomplished; and for reasons to which the attention of the Board will be presently requested, the Court are of opinion that none of the funds derived to Commerce through the payment of interest bills can be considered as having found a return through the China trade, and that their remittance through this channel was not contemplated by the framers of the plan of accounts. It is also no doubt in the recollection of the Board, that the arrangement in question was a substitute

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a substitute for that originally proposed* for the supply of any deficiency in the remittances for the payment of interest bills, viz. by the provision of goods in India to be consigned to England, under invoices, separate from those which related to the ordinary investment of the Company; a method which obviously contemplated a remittance only through the direct trade from that country.

Under these circumstances it does not appear to the Court that they could have put any other construction upon the terms employed in the Plan of 1814, with relation to this point, than that under which the statements forwarded to the Board have been prepared, and although from the altered state of circumstances which has since that time occurred, the provisions of the arrangement may produce a result somewhat different from the expectations entertained in 1814, the Court feel confident that the Board would not regard such a consideration as authorizing the setting aside an arrangement upon the faith of which the Company's Commercial operations have been conducted.

*Public Letter to Bengal, 6th Sept. 1813, para. 31.

The Court have paid every attention to the Board's remarks upon the appropriating clause of the 53d Geo. 3, as to their bearing upon the principle of the Statement framed by the Court, with a view to ascertain the amount of Indian investment which has been derived from issues in India made for the purpose of liquidating political payments from the Commercial funds at home, other than the ordinary Territorial charges, and after the fullest consideration of them, the Court are compelled to differ from the conclusion at which the Board has arrived upon this point.

It does not appear to the Court to be at all necessary, with reference to the subject under discussion, to enter into the question of the order of priority established by the Legislature in providing for the various services chargeable upon the Indian revenues. It appears to the Court sufficient that it should have been established and uniformly maintained since 1814, that the provision for investment or remittance, contained in the 56th section of the 53d Geo. 3, was intended to be positive, and subject to no contingency. The Finance correspondence with India, since the passing of the Act of the 53d Geo. 3, appears to the Court to be quite confirmatory of this view, and they would request the more particular attention of the Board to the letters noted in the margin. Admitting on the other hand that the Act contains distinct and positive provisions for the constant application of Territorial revenue to the discharge of interest bills, and that the remittance to provide for their payment must in some mode be effected, the Court have not failed to remark that the use of the Company's Commerce for this object is not a matter of specific enactment by the Legislature, but an arrangement made by the Home authorities under the powers confided to them by the Act, for the provision, under certain conditions, by the Company in their Commercial character, of an investment additional to that which would have been provided in the ordinary course of their trade, for the distinct object of enabling the Territory to fulfil an obligation attaching to that branch of the Company's concerns.

Territorial Finance Letter to Bengal, 23d Sept. 1817, paras. 13 to 16.
Ditto, 11 Aug. 1819, para. 7.

Hence it appears to the Court, that they are fully justified in regarding the investment secured to the Company by a distinct legislative enactment, as entitled to a priority of provision over that, the provision of which was undertaken by them, under a conditional arrangement, the very nature of which excludes all idea of its interfering with, or displacing any part of the Company's regular trade.

It was always understood that this channel for remittance of the interest bill funds, was to be employed only as a *dernier ressort*, on failure of other modes. The arrangement was thus essentially one of accommodation to the Territorial branch, and as the interests of Commerce formed no part of its object, so the uncertainty of the extent to which it might be employed, rendered it impossible to look to it as a resource for carrying on the ordinary operations of the Company's Commerce.

Independently therefore of the consideration arising from the terms made use of in the plan of accounts by which this arrangement appears to the Court to be distinctly and positively connected with the India trade alone, its inapplicability to the purposes of the China trade appears obvious with reference to the legislative obligations the Company are placed under in conducting that trade: for it being imperative upon them to provide for the full consumption of tea in the United Kingdom, funds of the most certain and definite description are required for this investment; and such full provision being once made, no opening would exist for furnishing any additional investment which might be afterwards called for to complete the required remittance for payment of interest bills on the failure of other channels.

The Court would shortly remark, with reference to the nature of the Territorial charges defrayed in England, to which the provisions of the 56th section of the Act apply, that they have for the most part since 1814 been of a military character, comprising charges of raising and maintaining the forces on the establishments of the East Indies, and a large outlay for the provision of warlike and naval stores, charges of a description which stand first in the order of appropriation of the Indian revenues; others are and have been of the nature of interest on debts, as the interest on the Carnatic claims, and the payments for interest and sinking fund on the loan in 1812, of 2,500,000 *l.* from the Public, during their continuance. With regard to the sum of 60,000 *l.* per annum, payable to His Majesty's Government, under the Act 4 Geo. 4, c. 71, for retiring pay, pensions, &c. incurred in respect of King's troops serving in the East Indies, (a part of the military charges defrayed in England) the Legislature has expressly provided that the several payments on this account "shall be charged upon and borne by the rents, revenues and profits arising from the Territorial acquisitions, in the same order as the charges and expenses of raising and maintaining the said forces are now charged and borne."

Sect. 1.

A similar

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A similar provision also existed in the Act 52 Geo. 3, c. 135, under which the loan of 2,500,000 *l.* was raised, sect. 11, directing that the several payments to be made by the Company for interest, sinking fund and charges of management, "shall be deemed and considered to be a charge upon the revenues of the Territorial acquisitions in the East Indies, in like manner as if the interest payable in respect of the Indian debts which have been or may be discharged by means of the said principal sum of 2,500,000 *l.*, had remained payable in the East Indies," and further authorizes the Company to cause funds for defraying the charge on this account, to be provided for remittance to England, in the order of preference in which the interest of debts is payable in India.

The Court would further remark that, although undoubtedly Parliament has specifically and carefully provided by legislative enactments for the payment of bills drawn on account of interest of Indian debt, one of the provisions of the 58th section, upon the subject of these bills, (wherein it is agreed that the future directions of Parliament, as to the mode of their discharge, shall be given under certain circumstances therein specified) necessarily proceeds upon the supposition of the possibility of a failure in the provision of the remittances by which their payment should have been met.

Upon the subject of the incidental remark made by the Board on the charge of interest in the accounts between Territory and Commerce, the Court would suggest, that as such a charge could only be claimable by the Commerce, in the event of the postponement by the Territory of the obligations imposed on it by the Act, it might not be deemed necessary to provide for a case, the occurrence of which the Act did not contemplate. The arrangements in the plan of accounts under which the adjustment objected to by the Board was made by the Court, as before remarked, was not framed with any view to the interests of Commerce, the effect of it indeed, had it been called into operation in the early years of the present Charter would have been to have placed the Commercial branch in the situation of providing an investment, not in the ordinary course of its operations, and which the state of the markets at the time might perhaps not have called for, at a rate of cost enhanced by the higher exchange which would have applied to it above that which applied to the investment furnished in repayment of Territorial charges.

Opposed as the Court's views have always been to the decision of the Board, upon the rates of exchange to be observed in the accounts between Territory and Commerce, they have felt anxious that this, the only provision of the plan of accounts which qualifies the operation of those excessive rates, should be carried into effect according to both its letter and spirit, and they cannot doubt that under the explanations now offered, the Board will concur in the principle upon which the Statements forwarded by the Court have been framed. The adjustment indeed, as it has been made by the Court in the Profit and Loss Account of 1829–30, effects but an approximation to accuracy in the view of the Company's Commerce, leaving still the far greater part of the Indian investment valued in its prime cost at rates of exchange which, under present circumstances, involve the certainty of a loss upon the adventure; although when tried upon mercantile principles, it has been proved, that since the opening of the trade, even the Company's direct Commerce with India, has been conducted with a profit.

I have, &c.

(signed) *P. Auber*, Secretary.

LETTER from *Thomas H. Villiers*, Esq. to *Peter Auber*, Esq.; dated India Board, 2d March 1832.

Sir,

I AM directed to address you in reference to a correspondence which took place between this Board and the Court of Directors in the year 1830, on the subject of a charge brought against the Territorial branch of the Company's affairs for loss on remittances to meet bills for interest on India debt.

The Board thought that charge objectionable; and Mr. Jones, in a letter to you, dated 17th August 1830, stated the grounds of the Board's opinion.

In reply to Mr. Jones's letter you addressed Mr. Stuart Wortley on the 9th December 1830; and I am now to desire that you will lay before the Court the further observations of the Board, suggested by a full and attentive re-consideration of the important subject contained in the letters above noticed.

It will be obvious to the Court that before the Board could have allowed the charges in question, they must have been prepared to admit that the arrear of repayment by the Territorial to the Commercial branch, outstanding in the year 1827–28, (the investments of which year the Court assume to have formed the first element of the calculation in question,) consisted entirely of a deficiency of remittance to meet the payment of interest bills, and further that the Commercial branch had incurred the loss assumed by the Court in effecting a remittance of that deficiency, and was entitled, under the arrangements laid down in the Plan of 1814, to the reimbursement of such loss.

These admissions the Board could not adopt, and after a mature consideration of the arguments adduced by the Court, and a review of the whole subject, they are still unable to concur with the Court as to the propriety of the charge. The case in question, viz. that of the payments by the Territorial to the Commercial branch falling in arrear, appears

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appears to the Board to be one for which no express provision has been made either in the Act of 1813 or in the plan adopted for effecting a separation of the Company's accounts, since both proceeded on the assumption that the provisions for the repayment of the advances made in England for Territorial purposes would be carried into full effect.

It was by no means the intention of the Board, under these circumstances, to complain that the Court should have put the construction they have upon the Plan of 1814, and at the same time the Board must distinctly disclaim the least desire to depart, in consequence of the altered circumstances of the trade, to which the Court have alluded, from any of the arrangements originally adopted. In the case now under consideration, a careful attention to the distinct enactments for the remittance and payment of interest on the Indian debt, and to the spirit of the Act of 1813, together with the correspondence which took place between the Board and the Court, and with the Governments in India, at the time that the plan referred to was in course of establishment, furnish, in the opinion of the Board, full and satisfactory grounds for coming to a right conclusion upon the present question.

The nature of the arrear or balance due to the Commercial branch depends mainly upon the determination of the question, whether the appropriating clauses of the Act of 1813, prescribe constant and regular issues from the Indian Treasuries for the discharge of the interest accruing on the India debt, and the punctual remittance of such funds to discharge the interest paid in England, or whether they sanction the postponement of such issues and remittance to an indefinite period. Upon this point the enactments appear to the Board to be express and peremptory; but as their views of those enactments have been so fully explained in Mr. Jones's letter, above referred to, they have little to add to what has been there stated, and they are unable to come to any other conclusion on the construction of the Act than was then communicated. They have only now to observe, on this part of the subject, that they cannot concur with the Court, that the order of priority established by the Legislature, in providing for the charges on the Indian revenues, is unimportant to the present question: On the contrary, they consider it a distinct guide to the due execution of the provisions of the Act. With this persuasion, the directions of the 55th, 57th and 58th sections, with regard to the payment of the interest on the Indian debt, appear to them conclusive, and cannot be intended to be set aside by the provisions of the 56th section, as the Court's interpretation would seem to imply.

The Board do not discover anything in the correspondence with India, to which the Court refer them, opposed to the view they take of the enactments upon this subject.

It was arranged by the Court in the year 1813, that the amount required to meet the interest bills, not remitted by other means, should be remitted through the Company's trade. In their Public Letter to Bengal, dated 6th September 1813, the Court directed that "immediately upon the issue of the bills for interest of the debt, there should uniformly be set apart a sum equal to the amount, in order to its being remitted for the supply of the Home Treasury," and it was added "the amount of the remittance must be absolutely carried into full effect to the extent that bills may have been drawn upon us for the interest upon the debt." These instructions were repeated in the Commercial Letter to Bengal, of 9th February 1814, notwithstanding the expectation expressed in that letter that a considerable part of the remittance to meet the interest bills would probably remain to be effected through the Company's Commerce; the Board are therefore bound to conclude, on the ground both of the legislative enactments and of the orders issued to the Indian governments, that the Commercial consignments consisted in part of consignments destined to meet the bills in question, whenever remittance for that purpose was required.

The Board are willing to admit, that adverting to the various other methods to be first resorted to, in order to effect the requisite remittance to meet those bills, the Indian governments would not always be aware what amount of Commercial remittance would be required before the year terminated, and under these circumstances the investments of such a year might properly be treated as applicable in the first instance to other Territorial charges of that year; but upon this view the investments of the following year must be considered as first applicable to the balance due for interest bills paid in the preceding year, and thus the provisions of the Act would be complied with as literally as possible under the circumstances of the case.

On the various grounds above explained the Board are precluded from admitting that the balance due from the Territory to the Commerce can be considered as composed of arrears, on account of the interest bills, unless the excess of payments of bills beyond the remittances of the last year of the account were considered to compose a part of that balance, in which case the excess would be made good in the following year.

Upon the Court's representation that the consignments which may be considered applicable to pay the interest bills stand on a different footing from their ordinary Commerce, and that the terms "Trade from India," used in the amended Plan of 1814, signified direct trade from India, and had no connexion with their circuitous trade from India through China, the Board have to remark, that whatever distinction might be made between the ordinary Territorial charges and the bills for interest on debt, in consequence of a part and sometimes the whole of the amount of the latter being provided for by different means, so far as the remittance through the Company's Commerce was concerned all distinction was done away, when, at the desire of the Court, the plan of investing the balance of interest cash to be remitted in goods from India under separate invoices was abandoned. The remittance thenceforth fell into the mass of their trade, and no particular channel by which it was to be sent home was at any time prescribed.

The observation of the Committee of Accounts, in their Report forwarded to the Board, in

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in Mr. Cobb's letter of 4th June 1814, on the mode of remitting the balance of interest cash through the Company's trade, was as follows:

"Your Committee think the most simple method of determining the question, will be to proceed *in a way similar to that adopted in the liquidation of Territorial charges.* Let the balance of payments in England for interest of Indian debts in the preceding year, constitute part of the fund that the Company shall annually order to be invested in India, and whatever difference shall arise will of course be adjusted at a subsequent period."

It is unnecessary to remind the Court that the "way adopted in the liquidation of Territorial charges" has always been to invest in Indian produce for consignment to England, what could be remitted in that form, and simultaneously to invest in other Indian produce (cotton, sandal-wood, &c.) for consignment to China, or to remit there, by means of bills, the remainder of the annual repayments by the Territory, of the advances made in England.

The Board, in Mr. Courtenay's letter of 30th June 1814, assented to the revised proposition of the Court, as having in view a remittance "*upon the same principle as Territorial charges defrayed in England*;" they objected only to the rate of exchange prescribed by the Board for other transactions (which was 2 *s.* 3.84 *d.* the sicca rupee) being applied to this, as the bills to be met were drawn at 2 *s.* 6 *d.* the sicca rupee, and a positive loss would thus be suffered by the Territorial branch. It was accordingly arranged that the sum invested to cover the balance of interest bills not otherwise met, should be converted at the rate of exchange of the bills, while the Commercial branch was to be protected from loss by compensation, should the out-turn of the Company's investments fall below that rate. Here the Board may be allowed to express their dissent from the remark of the Court that the interests of the Company's Commerce were not concerned in this arrangement, since any profit resulting from the remittance was secured to the Commercial branch, while the loss was to be borne by the Territory.

From the facts above narrated, it appears to the Board to be clearly established that the out-turn of the remittance to meet the interest bills should be calculated with reference to the whole of the Company's trade, including the portion of Territorial repayments remitted through China; and if it can be shown that loss has been sustained in any year by the remittance, upon a calculation framed upon the above principle, the Board will not object to allow a remuneration to the Commercial branch accordingly.

They are further of opinion that as the balance of interest cash invested in India in goods has not hitherto been converted at the exchange of the bills, the adjustment introduced should be revised upon such a principle as would rectify this omission in preceding years; such an adjustment the Board request may be made in the account between the Territorial and Commercial branches.

I have, &c.
(signed) *T. H. Villiers.*

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

Appendix, No. 25.

CORRESPONDENCE with Mr. *Robert Wilkinson*, and STATEMENTS, &c. prepared by him for Mr. *Rickards*, relating to the Views therein taken of the FINANCES of the East India Company.

No. (1.)—LETTER from Mr. *Robert Wilkinson* to *Robert Rickards*, Esq., dated 3, Copthall-buildings, 30th April 1831.

Dear Sir,

UPON the most attentive consideration of these voluminous documents, I am obliged to confess that I cannot find in them the materials for stating an accurate account of the Company's Commercial affairs for a given series of years, distinct from their other revenues. The difficulty, or rather the impossibility, arises not only from the want of other accounts which might be enumerated, but also of the particulars constituting the aggregate sums in several of those which are given. These papers do, however, furnish the means of stating separately the Territorial revenues and Political charges, and ascertaining, by an annual balance of those accounts, distinct from all that is extraneous, whether or in what degree it was necessary to supply the political expenditure from any other than its appropriate sources; whether, in short, it was necessary that the deficiencies of Territorial revenue should be made good from the profits of Commerce. Taking the Appendix No. 6 of the Second Report, Appendix 46 of the Third Report, Appendixes 10 and 28 of the Fourth Report, and Appendix 2 of the Papers printed February 1830, as my authority, in which all that relates to these subjects is given as matter of fact, and with an appearance of precision, I cannot have the least hesitation in declaring my decided opinion, that no such necessity existed, but that if this branch of the Company's affairs had been left to itself, and had never been blended with their Commercial transactions, there must have been, in 1826-7, the period to which these documents extend, a very large surplus of Territorial revenue in their Treasury.

In

In 1799–1800 a sinking fund is said to have been instituted, which might be received as a reason for the large increase of interest about that period (if charged in that column); but the debt would in that case be proportionably diminished; yet without any explanation that I can find, the debt is said to have been increased from 7,971,668 *l.* in 1793, to 12,811,863 *l.* in 1799, to 18,350,873 *l.* in 1802, and gradually accumulating to 30,876,788 *l.* in 1809. Such an increase, or indeed any increase, of Territorial debt, is utterly inconsistent with the documents above referred to, if they are what they purport to be. On the contrary, it is certain that, admitting the debt to have been on the 1st May 1793 as stated, 7,971,668 *l.*, the revenues furnished the means of providing the interest thereon, together with all political charges, including those paid in England, and leaving a surplus, in 1799–1800, of 2,517,003 *l.*

By the Statement I have prepared, commencing 1793–4, it appears that in 1806–7 the Territorial revenues required the aid of a loan of 2,500,000 *l.*, which they likewise supplied funds for redeeming in 1811–12; and that in 1817–18 there was a sufficient surplus to discharge the debt of 1793, and since to accumulate to the amount of 5,704,870 *l.*, which ought to have been in the Treasury as surplus Territorial revenue in 1826–7, after the discharge of all former engagements. In this Statement I have assumed that there was a Territorial debt of 7,971,668 *l.* on the 1st May 1793, and that the whole of the net charges of Bencoolen, St. Helena, &c. are Political; but if the contrary can be shown, these consequences would follow:

	£.
To my surplus of - - - - - - - - - - - -	5,704,870
there should be added,	
Debt, 1st May 1793 - - - - - - - - - -	7,971,668
All the interest - - - - - - - - - - -	11,389,043
The loan from Government in 1812, if not included in Revenue - -	2,500,000
Interest (if included in Charges) to 1822 (suppose 2 ½ per cent. on the whole, if repaid by instalments) - - - - - - - -	675,000
Half net Charge of Bencoolen, &c. if Commercial - - - -	2,452,169
Half net Charge of St. Helena - - ditto - - - - - -	883,943
Constituting a surplus Revenue, from 1793–4 to 1826–7, of - - £.	31,576,693

I have thrown the whole subject into a tabular form, which I beg leave to submit to your correction, and shall be happy to give any explanation at your leisure.

I am, &c.
(signed) *Robert Wilkinson.*

I should be glad to see a copy of the Scheme approved by the Board of Control for separating the Accounts from the year 1814. Perhaps something may be made out beyond the mere inference, that if the Revenue be free, the whole debt must be Commercial.

(Enclosure in No. 1.)—(A).—STATEMENT accompanying

REFERENCES.	Years.	Debts.	Gross Revenue.	References.	Charges, including those on Subsidies and of Ceded and Conquered Countries.	Net Charges of Bencoolen, Prince of Wales Island, &c.	Net Charges of St. Helena.
			£.		£.	£.	£.
App. to 4th Rep. No. 10. p. 28	1793, 1st May	7,971,668					
App. 6 to 2d Rep. p. 86	1793–94	- - -	8,276,770	- -	6,066,924	40,822	(a) -
Ditto - - -	1794–95	- - -	8,026,193	- -	6,083,507	62,080	- -
Ditto - - -	1795–96	- - -	7,866,094	- -	6,474,247	104,154	- -
Ditto - - -	1796–97	- - -	8,016,171	- -	7,081,191	101,190	- -
Ditto - - -	1797–98	- - -	8,059,880	- -	7,411,401	163,299	- -
Ditto - - -	1798–99	- - -	8,652,033	- -	8,417,813	120,668	- -
Ditto - - -	1799–1800	- - -	9,736,672	App. 6 to 2d Rep. p. 87, and App. 46 to 3d Rep. p. 60.	8,998,154	171,363	- -
Ditto - - -	1800–1	- - -	10,485,059		10,405,501	156,325	- -
Ditto - - -	1801–2	- - -	12,163,589		11,023,452	241,220	- -
Ditto - - -	1802–3	- - -	13,464,537		10,965,427	196,848	- -
Ditto - - -	1803–4	- - -	13,271,385		13,001,083	304,056	- -
Ditto - - -	1804–5	- - -	14,949,395	- -	14,548,433	372,163	- -
Ditto - - -	1805–6	- - -	15,403,409	- -	15,561,328	250,599	- -
Ditto - - -	(g) 1806–7	2,500,000	14,535,739 2,500,000 (h) 54,601	- -	15,283,908	179,197	- -
App. 28 to 4th Rep. p. 85	- -	- - -					
App. 6 to 2d Rep. p. 86. -	1807–8	- - -	15,669,905	- -	13,624,622	128,737	- -
Ditto - - -	1808–9	- - -	15,525,055	- -	13,151,224	158,208	- -
App. to Feb. 1830, No. 2. p. 14 - - - App. 46 to 3d Rep. p. 60	1809–10	- - -	16,464,391 (k) 289,076	- -	13,775,577	119,540	83,821
App. to Papers, Feb. 1830, No. 2. p. 14 - -	1810–11	- - -	16,679,198	- -	13,909,983	108,443	81,220
Ditto - - -	1811–12	- - -	16,605,616	- -	13,220,967	86,434	81,854
Ditto - - -	1812–13	- - -	16,459,774	- -	13,659,429	118,357	82,992
Ditto - - -	1813–14	- - -	17,228,711	- -	13,617,725	114,703	95,254
Ditto - - -	1814–15	- - -	17,231,191	App. to Papers printed Feb. 1830, No. 2. p. 15.	14,182,451	112,163	92,087
Ditto - - -	1815–16	- - -	17,168,195		15,081,587	127,853	97,705
Ditto - - -	1816–17	- - -	18,010,135		15,129,839	107,667	97,705
Ditto - - -	1817–18	- - -	18,305,265		15,844,964	122,088	97,705
Ditto - - -	1818–19	- - -	19,392,002	- -	17,558,615	112,519	97,705
Ditto - - -	1819–20	- - -	19,172,506	- -	17,040,848	144,344	97,705
Ditto - - -	1820–21	- - -	21,292,036	- -	17,520,612	122,338	97,705
Ditto - - -	1821–22	- - -	21,753,271	- -	17,555,668	110,111	97,705
Ditto - - -	(v) 1822–23	- - -	23,120,934	- -	18,083,482	134,668	120,093
Ditto - - -	1823–24	- - -	21,238,623	- -	18,902,511	145,008	112,268
Ditto - - -	1824–25	- - -	20,705,152	- -	20,410,929	169,828	109,449
Ditto - - -	1825–26	- - -	21,096,966	- -	22,346,365	103,872	110,413
Ditto - - -	1826–27	- - -	23,327,753	- -	21,424,894	93,473	114,500
	£.	10,471,668 *	532,197,282			4,904,338	1,767,886

*	£.
Amount consisting of REVENUE -	529,353,605
Chinsurah Cause - - -	54,601
Freight repaid by Government	289,076
Temporary Loan - - -	2,500,000
£.	532,197,282

**	£.
Amount consisting of CHARGES -	516,020,744
Repayment of Loan - -	2,500,000
Ditto of Debt, 1st May 1793	7,971,668
Surplus Revenue in 1826–27, as stated - - - -	526,492,412 5,704,870
£.	532,197,282

(a) The Charges for St. Helena are supposed to be included in those for Bencoolen, &c. until 1809–10, when they begin to be separately stated.

(b) (c) (d) (e) These are the sums of interest charged by the East India Company in their Tables for these years.

(f) From this period, until there appears a necessity for increasing the debt, I continue the interest at the same amount.

(g) In this year I have considered the state of the revenue to require an additional loan of 2,500,000 *l.*, which I have brought to the aid of the receipts, and charged annually an additional interest of 200,000 *l.* (at 8 per cent.) until repaid.

Mr. *Wilkinson's* Letter of the 30th April 1831.

Political and Territorial Charges paid in England.	Interest adequate to the apparent Debt.	Total Amount of Charges, including Interest.	Repayment of Debt.	Surplus Revenue of the Year.	Deficient Revenue of the Year.	Surplus Revenue, including the Surplus of preceding Years.	Deficient Revenue, including the Deficiency of preceding Years.
£.	£.	£.	£.	£.	£.	£.	£.
171,392	(b) 526,205	6,805,343	- - -	1,471,427	—	—	
163,399	(c) 484,301	6,793,287	- - -	1,232,906	- - -	2,704,333	
199,128	(d) 414,750	7,192,279	- - -	673,815	- - -	3,378,148	
375,097	(e) 426,847	7,984,325	- - -	31,846	- - -	3,409,994	
203,784	(f) 426,847	8,205,331	- - -	- - -	145,451	3,264,543	
300,736	426,847	9,266,064	- - -	- - -	614,031	2,650,512	
273,817	426,847	9,870,181	- - -	- - -	133,509	2,517,003	
307,635	426,847	11,296,308	- - -	- - -	811,249	1,705,754	
482,730	426,847	12,174,249	- - -	- - -	10,660	1,695,094	
393,207	426,847	11,982,329	- - -	1,482,208	- - -	3,177,302	
435,224	426,847	14,167,210	- - -	- - -	895,825	2,281,477	
485,604	426,847	15,833,047	- - -	- - -	883,652	1,397,825	
575,795	426,847	16,814,569	- - -	- - -	1,411,160	- - -	13,335
492,083	(g) 626,847	16,582,035	- - -	(i) 508,305	- - -	494,970	
505,797	626,847	14,886,003	- - -	783,902	- - -	1,278,872	
550,766	626,847	14,487,045	- - -	1,038,010	- - -	2,316,882	
l) 1,057,225	626,847	15,663,010	- - -	1,090,457	- - -	3,407,339	
1,119,391	626,847	15,845,884	- - -	833,314	- - -	4,240,653	
1,077,768	(m) 426,847	14,893,870 (n) 2,500,000	- - - 2,500,000	- - -	(o) 788,254	3,452,399	
1,378,760	426,847	15,666,385	- - -	793,389	- - -	4,245,788	
1,212,413	426,847	15,466,942	- - -	1,761,769	- - -	6,007,557	
1,194,596	426,847	16,008,144	- - -	1,223,047	- - -	7,230,604	
1,281,885	426,847	17,015,877	- - -	152,318	- - -	7,382,922	
1,265,550	426,847	17,027,608	- - -	982,527	- - -	8,365,449	
1,176,642	(p) - -	17,241,399 (r) 7,971,668	- - - 7,971,668	- - -	(s) 6,907,802	(t) 1,457,647	
1,280,540	- - -	19,049,379	- - -	342,623	- - -	1,800,270	
1,415,446	- - -	18,698,343	- - -	474,163	- - -	2,274,433	
1,300,164	- - -	19,040,819	- - -	2,251,217	- - -	4,525,650	
1,377,884	- - -	19,141,368	- - -	2,611,903	- - -	7,137,553	
1,559,107	- - -	19,897,350	- - -	3,223,584	- - -	10,361,137	
1,153,866	- - -	20,313,653	- - -	924,970	- - -	11,286,107	
1,580,259	- - -	22,270,465	- - -	- - -	1,565,313	9,720,794	
1,817,232	- - -	24,377,882	- - -	- - -	3,280,916	6,439,878	
2,429,894	- - -	24,062,761	- - -	- - -	735,008	5,704,870	
	11,389,043	532,197,282	10,471,668				

(h) Received on account of the Chinsurah Cause.
(i) Including balance on the loan of 2,500,000 *l.*
(k) Political freight, &c. repaid by Government.
(l) The Estimate in Appendix 46 to 3d Report, for these charges in 1809–10, is only 565,931 *l.*
(m) There being surplus revenue at the beginning of this year to repay the loan of 2,500,000 *l.*, I reduce the interest to the former amount.
(n) The loan of 1806–7 discharged out of surplus revenue.
(o) After charging in this year the repayment of the loan of 2,500,000 *l.* in 1806–7.
(p) There being sufficient surplus of revenue at the commencement of the year to pay the whole debt, the interest ceases.
(r) Repayment of the debt due 1st May 1793.
(s) After charging in this year the repayment of the debt due 1st May 1793, 7,971,668 *l.*
(t) After ditto, ditto.
(v) As in this year the balance due to Government on a loan of 2,500,000 *l.* in 1812 was paid, if this is included in the charges, as well as the rest of the principal repaid, and all the interest from 1812, the whole will be an addition to the surplus revenue, if the loan itself was not included in the receipts.

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

(No. 2.)—LETTER from Mr. *Robert Wilkinson* to *Robert Rickards*, Esq. dated 3, Copthall-buildings, 10th May 1831.

Dear Sir,

THE effect of the former Table was to show, that if the Territorial revenues had been left to their own operation, unconnected with anything else, they would have discharged the Indian debt of 1793, 7,971,668 *l.*, and left a surplus in the Treasury, in 1828, of 4,347,675 *l.*, without any Indian debt whatever.

It is, however asserted, that the Indian revenue being inadequate to meet the Political expenditure, required assistance from Commerce, and the aid of loans; the interest on which is, therefore, together with all Political charges, to be placed to Revenue account. It might then have been expected, that we should have been presented with an account of Political disbursements (including all interest) equivalent to the whole amount of this joint fund of revenue and loans, from 1793 to 1828. The Statement I have now prepared and embodied in the accompanying Table, which is respectfully submitted to your consideration, was intended to ascertain this point; and strange as it may appear, it is nevertheless certain that the result presents a balance of 11,208,417 *l.* in 1828, not included in any statement of Political expenditure; which, for anything that appears, may then have been in their treasury, and must indeed have been there unless the Company will either render a further account of Political charges, or admit that it had been applied to other purposes.

Surely there must have been other Statements laid before the great authorities who have sanctioned the representation that Indian revenue is indebted to Commerce, since the printed Papers, when followed out to their necessary consequences, infallibly lead to a contrary conclusion.

If

(Enclosure in No. 2.)—(B.)—STATEMENT accompanying

REFERENCES.	Years.	Gross Revenues.	Increase of Debt by additional Loans.	REFERENCES.
		£.	£.	
App. 6 to 2d Rep. p. 86 - - -	1793-94	8,276,770	- - -	- - - - - -
Ditto - - - - - -	1794-95	8,026,193	- - -	- - - - - -
Ditto, and App. 7 to 2d Rep. p. 95	1795-96	7,866,094	336,950	- - - - - -
Ditto - - - ditto - -	1796-97	8,016,171	2,006,851	- - - - - -
Ditto - - - ditto - -	1797-98	8,059,880	1,723,855	- - - - - -
Ditto - - - ditto - -	1798-99	8,652,033	1,717,778	- - - - - -
Ditto - - - ditto - -	1799-1800	9,736,672	1,414,770	- - - - - -
Ditto - - - ditto - -	1800-1	10,485,059	2,611,307	- - - - - -
Ditto - - - ditto - -	1801-2	12,163,589	1,793,437	App. 6 to 2d Rep. p. 86; App. 7 to 2d Rep p. 95; and App. 46 to 3d Rep. p. 60.
Ditto - - - ditto - -	1802-3	13,464,537	1,168,373	
Ditto - - - ditto - -	1803-4	13,271,385	2,549,229	
Ditto - - - ditto - -	1804-5	14,949,395	3,505,149	- - - - - -
Ditto - - - ditto - -	1805-6	15,403,409	2,875,408	- - - - - -
Ditto - - - ditto - -	1806-7	14,535,739	1,742,302	
Receipt on account of Chinsurah Cause, App. 46 to 3d. Rep. p. 60 -	- - -	54,601	- - -	- - - - - -
App. 6 to 2d Rep. p. 86, and App. 7 to 2d Rep. p. 95 - - -	1807-8	15,669,905	1,763,478	- - - - - -
Ditto - - - ditto - -	1808-9	15,525,055	- - -	- - - - - -
Papers, Feb. 1830, No. 2. p. 14, and No 3. p. 25 - - - -	1809-10	16,464,391	1,089,269	Papers, Feb. 1830, No. 2. p. 15 - - - -
Political Freight, &c. received of Government, App. 46 to 3d Rep. p. 60	- - -	289,076	- - -	
Papers, Feb. 1830, No. 2. p. 14, and No. 3. p. 25 - - - -	1810-11	16,679,198	- - -	Ditto, and No. 3. p. 25. -

If these tables cannot be contravened, and I do not perceive any fallacy in them, it follows,

		£.
That the above balance, not otherwise accounted for, has been applied to Commercial purposes - - - - - - - - - -		11,208,417
Interest charged in this account - - - - - -	£. 52,352,803	
Whereas all that was required for Political purposes is shown in the former Table to amount to no more than -	11,208,417	
Difference - - -		40,963,760
There has therefore been applied to Commerce from Indian revenue and loans ultimately charged to Revenue, in 35 years, from 1793 to 1828		52,172,177
Or it may be thus stated:		
The Revenue, as shown in the former Table, could, from 1793 to 1828, have cleared itself of all debt, and have accumulated a surplus in 1828 of -		*4,347,675
But Revenue has been deprived of this surplus, and burthened (by Commerce) with a debt, in 1828, of - - -	£. 47,504,558	
Add, discrepancies in the Papers, as stated - - -	319,944	
		47,824,502
	£.	52,172,177

And to this sum of 52,172,177 *l.* are to be added, loan from the Nabob of Oude, 1,109,975 *l.* and loan from the Bank and interest, say 3,300,000 *l.*

I am, &c.
(signed) *Robert Wilkinson.*

* This differs from the Balance stated in Table (A.) only by including the year 1827–28.

Mr. *Wilkinson's* Letter of the 10th of May 1831.

Charges, including those on Subsidies and of Ceded and Conquered Countries.	Net Charges of Bencoolen, Prince of Wales Island, &c.	Net Charges of St. Helena.	Political and Territorial Charges paid in England.	Interest on Debts.	Diminution of Debt by repayment of Loans.	Surplus remaining unapplied to Territorial Purposes at the end of each Year, including the Surplus of preceding Years after 1793–4.
£.	£.	£.	£.	£.	£.	£.
6,066,924	40,822	- - -	171,392	526,205	666,408	805,019
6,083,507	62,080	- - -	163,399	484,301	506,325	1,531,600
6,474,247	104,154	- - -	199,128	414,750	- - -	2,542,365
7,081,191	101,190	- - -	375,097	426,847	- - -	4,581,062
7,411,401	163,299	- - -	203,784	603,926	- - -	5,982,387
8,417,813	120,668	- - -	300,736	721,550	- - -	6,791,431
8,998,154	171,363	- - -	273,817	957,236	- - -	7,542,303
10,405,501	156,325	- - -	307,635	1,062,684	- - -	8,706,524
11,023,452	241,220	- - -	482,730	1,386,593	- - -	9,529,555
10,965,427	196,848	- - -	393,207	1,361,453	- - -	11,245,530
13,001,083	304,056	- - -	435,224	1,394,322	- - -	11,931,459
14,548,433	372,163	- - -	485,604	1,566,750	- - -	13,413,053
15,564,328	250,599	- - -	575,795	1,860,090	- - -	13,444,058
15,283,908	179,197	- - -	492,083	2,224,956	- - -	11,596,556
13,624,622	128,737	- - -	505,797	2,225,668	- - -	12,545,115
13,151,224	158,208	- - -	550,766	2,241,665	1,131,031	10,837,276
13,775,577	119,540	83,821	1,057,225	2,159,019	- - -	11,484,830
13,909,983	108,443	81,220	1,119,391	2,196,691	3,471,578	7,276,722

(*continued*)

The preceding Account—Statement (B.)—*continued.*

REFERENCES.	Years.	Gross Revenues	Increase of Debt by additional Loans.	REFERENCES.
		£.	£.	
Papers, Feb. 1830, No. 2. p. 14 and No. 3. p. 25 -	1811–12	16,605,616	1,440,521	- - - - - -
Ditto - - - ditto - -	1812–13	16,459,774	290,897	- - - - - -
Ditto - - - ditto - -	1813–14	17,228,711	945,433	- - - - - -
Ditto - - and No. 4. p. 27 -	1814–15	17,231,491	1,671,183	Papers, Feb. 1830, No. 2. p. 15, and No. 3. p. 25.
Ditto - - - ditto - -	1815–16	17,168,195	618,127	
Ditto - - - ditto - -	1816–17	18,010,135	548,298	- - - - - -
Ditto - - - ditto - -	1817–18	18,305,265	971,283	- - - - - -
Ditto - - - ditto - -	1818–19	19,392,002	2,692,990	- - - - - -
Ditto - - - ditto - -	1819–20	19,172,506	2,438,822	- - - - - -
Ditto - - - - -	1820–21	21,292,036	- - -	- - - - - -
Ditto - - - - -	1821–22	21,753,271	- - -	Ditto, and No. 4, p. 27 -
Ditto - - - - -	1822–23	23,120,934	- - -	
Ditto - - - - -	1823–24	21,238,623	- - -	- - - - - -
Ditto - - and No. 4. p. 27 -	1824–25	20,705,152	1,232,440	- - - - - -
Ditto - - - ditto - -	1825–26	21,096,966	6,132,766	Ditto - - - -
Ditto - - - ditto - -	1826–27	23,327,753	1,008,935	- - - - - -
2d Rep. of 1830 (4to.) pp. 1148, 1156, 1166; Revenue Account, May 1830, p. 59; Papers, Feb. 1830, No. 4. p. 27 - - -	1827–28	22,802,947	4,633,682	2d Rep. of 1830, (4to.), pp. 1148, 1156, 1166, 1174, 1179: and Papers, Feb. 1830, No. 2. p. 15.
			50,922,533	

Amount, consisting of	£.	
Gross Revenue - - -	552,156,552	
Receipt on the Chinsurah Cause	54,601	
Political Freight, &c. of Government	289,076	
		552,500,229

RECAPITULATION:

	£.	
Receipts:		
Gross Revenue - - - - - -	- - -	552,156,552
On the Chinsurah Cause in 1806–7 -	- - -	54,601
Political Freight, &c. from Government -	- - -	289,076
Increased Debt - - - - - -	- - -	39,852,834
Disbursements:		
Charges, including those on Subsidies, &c.	489,180,310	
Ditto, Bencoolen, Prince of Wales' Island, &c. - - - - - -	5,069,114	
Ditto, St. Helena, 1809–10 to 1827–28	1,887,462	
Ditto, Political and Territorial, paid in England - - - - - -	32,654,957	
Interest on Debts (being 40,963,760 *l.* beyond the Sum of 11,208,417 *l.*, which is shown by the former Table to have been all that was necessary for Territorial Purposes) - - - - - -	52,352,803	
Surplus, as stated, *totally unaccounted for, if not applied to Commercial Purposes* - -	11,208,417	
£.	592,353,063	592,353,063

Charges, including those on Subsidies and of Ceded and Conquered Countries.	Net Charges of Bencoolen, Prince of Wales' Island, &c.	Net Charges of St. Helena.	Political and Territorial Charges paid in England.	Interest on Debts.	Diminution of Debt by repayment of Loans.	Surplus remaining unapplied to Territorial Purposes at the end of each Year, including the Surplus of preceding Years, after 1793-4.
£.	£.	£.	£.	£.	£.	£.
13,220,967	86,434	81,854	1,077,768	1,457,077	- - -	9,398,759
13,659,429	118,357	82,992	1,378,760	1,491,870	- - -	9,417,022
13,617,725	114,703	95,254	1,212,413	1,537,434	- - -	11,013,637
14,182,451	112,163	92,087	1,194,596	1,502,217	- - -	12,832,497
15,081,587	127,853	97,705	1,281,885	1,584,157	- - -	12,445,632
15,129,839	107,667	97,705	1,265,550	1,719,470	- - -	12,683,834
15,844,964	122,088	97,705	1,176,642	1,753,018	- - -	12,965,965
17,558,615	112,519	97,705	1,280,540	1,665,928	- - -	14,335,650
17,040,848	144,344	97,705	1,415,446	1,940,327	- - -	15,308,308
17,520,612	122,338	97,705	1,300,164	1,902,585	333,014	15,323,926
17,555,668	110,111	97,705	1,377,884	1,932,835	866,421	15,136,573
18,083,482	134,668	120,093	1,559,107	1,694,731	1,751,997	14,913,429
18,902,511	145,008	112,268	1,153,866	1,652,449	2,342,925	11,843,025
20,410,929	169,828	109,449	1,580,259	1,460,433	- - -	10,049,719
22,346,365	103,872	110,413	1,817,232	1,575,941	- - -	11,325,628
21,424,894	93,473	114,500	2,429,894	1,749,068	- - -	9,850,487
21,815,649	164,776	119,576	2,060,141	1,918,557	- - -	11,208,417
489,180,310	5,069,114	1,887,462	32,654,957	52,352,803	11,069,699	
				Balance, being Increase of Debt - - -	(a)39,852,834	
				£.	50,922,533	

	£.
Remarks:—In this Statement the Loan from the Nabob of Oude	1,109,975
and the Loan from the Bank of England - - -	2,500,000
with Interest thereon, say - - - - - -	800,000
are not introduced.	
£.	4,409,975

	£.
(a) This sum of - - - - - - - -	39,852,834
being added to the amount of Debt, 1st May 1793 -	7,971,668
Gives as the amount of Indian Debt, in 1827-28 - - - -	47,824,502
Which is stated in the Annual Revenue Accounts, May 1830, at - - - - - - - -	47,504,558
There is therefore some discrepancy, for which the Printed Papers are accountable.	
Difference - - - £.	319,944

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

(No. 3.)—LETTER from *T. Hyde Villiers*, Esq. to Mr. *R. Wilkinson*, dated India Board, Nov. 24th, 1831.

Sir,

MR. RICKARDS has informed me that you have had under your consideration the Public Accounts of the East India Company, which he placed in your hands, and he has left with me some papers, showing the general results at which you have arrived. Mr. Rickards also stated to me, that you would be willing to give any explanation of the method you had pursued which might be desired by this Department. I therefore beg leave to inform you, that there are some points upon which I should be happy to receive your explanations, and that I should be prepared to forward to you my inquiries immediately on receiving your permission to do so.

I am, &c.

(signed) *T. Hyde Villiers.*

(No. 4.)—LETTER from Mr. *Robert Wilkinson* to *T. Hyde Villiers*, Esq. dated 3, Copthall-buildings, 25th Nov. 1831.

Sir,

I HAVE had the honour to receive your letter of the 24th instant, and shall be happy to give, either personally, or in any other manner which you may be pleased to prescribe, the explanations required.

I have, &c.

(signed) *Robert Wilkinson.*

(No. 5.)—LETTER from *T. Hyde Villiers*, Esq. to Mr. *Robert Wilkinson*, dated India Board, 8th Dec. 1831.

Sir,

I BEG leave to acknowledge your letter, dated the 25th ultimo, and, with reference to the permission which your letter conveys, to forward to you certain Queries, herewith enclosed, which have been prepared relative to your Statements of the East India Accounts.

I shall be much obliged to you for any explanations which you may be enabled to supply upon the points referred to, or would show you any documents in this office which you may be desirous of consulting in the public records.

I remain, &c.

(signed) *T. Hyde Villiers.*

(Enclosure in No. 5.)

QUERIES relative to Mr. *Wilkinson*'s Statements.

ON what principle several charges, stated by the Select Committee of 1812, in the Fourth Report, page 452, to be Territorial Expenses "not included in the Accounts of Revenues and Charges annually presented to the House," have been omitted from the Territorial Expenditure, *e. g.*

Expenses of Ceylon and Eastern Islands - - - - £. 1,661,345
Payment to Creditors of Nabob of Arcot and Rajah of Tanjore - 1,359,013 ?

Why, in the first sixteen years, no charge for St. Helena is inserted, although it is stated, in Appendix 51 of the Report above referred to, to have amounted to £. 1,105,351 ?

How it occurs, that of the amounts described in the same Appendix as "Doubtful as to the part Territorial or Commercial," and Dead Stock, and which (excluding the charge of St. Helena, Bencoolen and Prince of Wales' Island), exceeds £. 3,000,000, no part is charged against the Territory ?

Have the other items in that Appendix received full consideration ?

The same query as above as to charges termed "Doubtful" in 1812, which, for late years, are contained in Nos. 16 to 19 of the Papers of 1830, and there stated not to be included in the other charges, amounting to £. 741,000; the greater part of which is in those documents described expressly as "Territorial"?

Upon what grounds all reference to the fact of the Cash and Bills in the Indian Treasuries having increased between 1793 and 1828 by £. 6,251,867, (*vide* Second Report, Appendix No. 8, and continuation of No. 6 of Papers of 1830), has been omitted, and the inference drawn that that amount has been "applied to Commercial purposes"?

(No. 6.)—LETTER from Mr. *Robert Wilkinson* to *T. Hyde Villiers*, Esq.; dated 3, Copthall-buildings, 17th Dec. 1831.

Sir,

I HAVE now the honour to transmit answers to the Queries proposed to me.

As it is difficult to treat of detached portions of the subject without some appearance of complication, if I have not succeeded in rendering myself intelligible, I should consider myself obliged by an opportunity of adding, either personally or otherwise, such further explanations as may be necessary.

I have, &c.
(signed) *Robert Wilkinson.*

(Enclosure in No. 6.)

EXPLANATIONS, &c.

BEFORE I proceed to consider each particular query, I must ask permission to make one or two general observations applicable to the whole; and in the first place it is necessary to bear in mind the precise nature of the propositions presumed to be established by my Tables. The first, marked (A), professes to prove that the Territorial revenues of the Company have, since 1793, been more than sufficient to supply the expenses of administering the Government of India, and have neither needed nor received assistance from any Commercial profits of the Company, nor from Indian loans, (except temporarily to the extent of 2,500,000 *l.*), and that it is therefore incorrect to charge the Territorial revenue with the principal or interest of a debt which must have been contracted for other purposes. The second, marked (B), undertakes to show, that the Indian loans, contracted since 1793, cannot have been expended, in addition to the Territorial revenues, upon the administration of the Indian government, because in that case, upon an account debited with the whole of the revenue and loans, and credited with the whole of the charges of that administration, including the interest upon the whole debt as a part of those charges, there could not possibly remain any balance, whereas there appears a surplus of receipts amounting to 11,208,417 *l.* These propositions are perfectly distinct from the object proposed in the extract given from the Fourth Report, and the accompanying Appendix, No. 51, which is primarily to account for the deterioration of 11,020,566 *l.* on the general affairs, Territorial and Commercial, of the Company; the classification of the causes to which it is attributed into "Territorial, Commercial and Doubtful," being altogether incidental, and not affecting nor being intended to affect the argument of the Committee, as is manifest from their leaving more than half the amount "Doubtful."

In the next place, I may be permitted to complete the quotation given in the queries from the Report, viz. "Territorial expenses not included in the Accounts of Revenues and "Charges annually presented to the House," by the addition of the remaining part of the paragraph, which will then stand as follows:—

"The extent in which the Political branch of the affairs has contributed to produce the balance (of 11,020,566 *l*, before spoken of) is stated at the sum of 6,364,931 *l.*, which sum results from adding to the surplus charges of India every other positive expense belonging to the territories, which had not been included in the Accounts of Revenues and Charges annually presented to the House, being in the greatest part disbursements made in England, either by His Majesty's Paymaster-general for the troops serving in India, or by the Company at home for freight of military, or the expense considered to have been incurred under this head."

We have here a declaration of what the Honourable Committee profess to have done; in order to account for the defalcation of 11,020,566 *l.*, they say, it will be found to have been occasioned, in the greatest part, by disbursements made in England, &c. which had not been included in the Accounts of Revenues and Charges annually presented to the House. And this conducts us to the real question at issue, which is, (not whether the printed Statements of Indian Revenue and Charges, but) whether the Tables A and B contain in effect an account of every charge indicated by the Honourable Company, which is properly Territorial, including those which had not been brought into the Accounts annually presented to the House. I am aware that the former do not comprise the Territorial disbursements made in England, which are the subject of a separate statement in the printed Papers, but they are incorporated into the Tables A and B.

I may now proceed to consider separately the several queries, of which the first is,

"On what principle several charges stated by the Select Committee of 1812, in the Fourth Report, page 452, to be Territorial expenses, not included in the Accounts of

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

Revenues and Charges annually presented to the House have been omitted from the Territorial expenditure; *e. g.*

" Expenses of Ceylon and Eastern Islands - - - -	£. 1,661,345
" Payment to Creditors of Nabob of Arcot and Rajah of Tanjore	1,359,013?"

With respect to the expenses of Ceylon and Eastern Islands, I do not find anything said of this item of 1,661,345 *l.* in the Report, nor does it appear from whence it was derived. The reference is to the Appendix No. 17 of the Third Report, where it is stated at 1,223,571 *l.*, and where it is also stated, that of the whole of the claims admitted against the

Public - - - - - - - - - - - - - -	£. 8,212,372
There have been brought to the debit of Indian Charges and Interest - -	6,988,801
Leaving the above sum not brought to the debit of Indian Charges or Interest	1,223,571

This Appendix No. 17, is a statement of the Honourable Company's Claims on the Public and does not purport to be an Account of their actual disbursements on the objects specified, much less does it appear to me to furnish the means of instituting such an examination as would enable an inquirer to point out in figures the precise amount which ought to have been charged to Territory and Commerce respectively; when, therefore, it is asked, why was not this sum brought in the same manner as the larger amount of 6,988,801 *l.* to the account of Indian Charges, the answer, in the absence of the necessary documents, can only be general, that in the judgment of the Company, who abstained from charging it to Territory, this was the portion strictly Commercial, and therefore it would have been misplaced there. If indeed the Company have advanced 1,223,571 *l.*, which they have been unable to recover, they have sustained a loss, which may be legitimately used to account for so much of the defalcation found on their general concerns Territorial and Commercial; but it by no means follows that it should be charged to Territorial revenue, and especially when the Company, in their own analysis of the General Account, not intended to favour the Revenue at the expense of Commerce, have not deemed it right, with all the particulars before them, so to charge it, it must be considered as a Commercial loss.

Respecting that part of the payments to the creditors of the Nabob of Arcot and the Rajah of Tanjore, made in India, viz. 1,058,953 *l.* and 64,044 *l.* as stated in the Appendix 51, the reference is to Nos. 18 and 19 of the Third Report, where I find nothing from which it can be ascertained that these are the sums so paid and omitted in the Account of Charges at Madras; while in the Appendix to the Second Report, No. 6, B, purporting to be a Statement of the gross and net Receipts from Subsidies and Revenues of Ceded and Conquered Countries, there is an account of disbursements amounting to many millions sterling, but without a detailed specification of particulars; the results are transferred to the Appendix, No. 6, which the Committee, in the same Report, have assured us contains " every charge incurred in the government and defence of the possessions in India."

If the authority of the Honourable Committee must be respected in the one instance, it is neutralized by their equally positive evidence in the other; and we have nothing left in the entire absence of such details as might enable us to undertake a satisfactory analysis, but the strong probability, amounting to a moral certainty, that the Madras Presidency, in transmitting their accounts, would of course include the sums paid to those creditors, and that these, being considered territorial, have been charged against Territorial revenue, included in the Madras Accounts of their respective periods.

With respect to the portions paid in London, viz. 10,960 *l.* and 225,056 *l.*, as I find them in the General Statement, Appendix No. 22 of the Fourth Report, and they have not been included in the " Political Charges paid in England," described in Appendix 46 of the Third Report; if these are necessarily to be accounted Political charges, as in my judgment they ought to be, they remain to be charged against Territorial revenue; but the Honourable Company seem to have decided that they are not so to be considered by omitting them in the statement of Political charges.

Query. " Why, in the first 16 years, no charge for St. Helena is inserted, although it is stated, in Appendix 51 of the Report above referred to, to have amounted to 1,105,351 *l.*?"

On the subject of this query the printed Papers are sufficiently explicit to enable me to say that the charge for St. Helena for the first 16 years is included in the Tables A and B. In the Appendix No. 51 referred to, as well as the Report itself, " Supplies to Bencoolen, Prince of Wales Island, St. Helena, &c." from 1792–3 to 1808–9, are stated at 2,817,146 *l.*; the reference in the margin is to page 63 of the Second Report, which again refers to the Appendix No. 6 of that Report, where the " Supply to Bencoolen, Penang, &c." for the same period, amounts to the precise sum of 2,817,146 *l.*, consisting of the items transferred into my Tables, including therefore the whole supply to St. Helena.

The " Charges and Losses at St. Helena adjusted," 1,046,653 *l.*, and " Increase of Dead Stock at St. Helena," 58,698 *l.*, making together 1,105,351 *l.*, the subject of the query, are of course comprised in the larger amount.

Query. " How it occurs that of the amounts described in the same Appendix as 'doubtful as to the part Territorial or Commercial', and 'Dead Stock,' and which (excluding the charge of St. Helena, Bencoolen, and Prince of Wales' Island) exceeds 3,000,000 *l.*, no part is charged against the Territory?"

The

The charges relating to St. Helena being disposed of, there remain, of the class termed "Doubtful" in the Appendix, No. 51, the following, viz.

	£.
1st. Losses on Consignments from port to port in India - -	873,403
2d. Losses at the several Presidencies, not included in the Charges	461,428
3d. Paid on participation of the Public - - - - - -	500,000
4th. Seamen raised for Government - - - - - - -	47,000
5th. Loss on Loyalty Loan - - - - - - - -	107,878
6th. Interest on postponed Bills - - - - - - -	120,963
7th. Paid owners of Rice Ships - - - - - - - -	110,595
	2,221,267
To which is added,	
8th. Increase of Dead Stock in India, by purchase there or consignments from England - - - - - - - -	862,992
£.	3,084,259

It is remarkable of all these, that the Honourable Committee, with all the means of information before them (as I suppose) have not undertaken to determine that any one of them ought to be debited to Territorial revenue. With respect to the first, viz. Losses on consignments from port to port in India, if we were to understand the term "losses" in its ordinary acceptation, as implying destruction or damage on the transit, it would depend on the object of the consignment (upon which we have no explanation) whether the loss should be charged to Territory or Commerce; but the reference is to Appendix No. 22 of the Third Report, where the amount is described as a mere discrepancy between the books of Bengal and those of Fort St. George and Bombay; it must be presumed that Bengal, in transmitting its annual General Statement, took credit for the full amount of its supplies to the other Presidencies, and before it can be determined whether any loss beyond that which has been brought to account, be really chargeable either to Territory or Commerce, and in what proportions, it would be necessary to have access to documents which I have not found amongst the printed Papers.

2d. Losses at the several Presidencies, not included in the Charges. As these do not appear to be arrears of revenue they must be presumed to be Commercial debts, written off as irrecoverable, in which case they cannot be charged against Territory; the reference is to Appendix No. 23 of the Third Report, where we have no information beyond the fact that they are "losses."

3d. Paid on participation of the Public. This I understand to be a part of the price of the Honourable Company's exclusive trade, therefore Commercial, and not chargeable against Territory.

4th. Seamen raised for Government, 47,000 *l.* This is too trifling an amount to require much comment; if upon the first view, it would appear chargeable to Territory, the Honourable Company seem to have decided otherwise by excluding it from the Political charges.

5th. Loss on Loyalty Loan.

6th. Interest on postponed Bills.

7th. Paid owners of Rice Ships.

In the absence of all special circumstances, it seems to me difficult to conceive that these can be considered in any other light than as losses on Commercial transactions, with which, therefore, it would be improper to charge Territory.

8th. Increase of Dead Stock in India, by purchases there or consignments from England, The cost of the Dead Stock has been included in the Indian charges, as I well recollect to to have read in some part of the printed Papers.

Query. "Have the other items in that Appendix received full consideration?"

They have been considered, and I do not find anything there clearly chargeable to Territory beyond the amount already comprised in my Tables.

Query. "The same query as above as to all charges termed 'doubtful' in 1812, which for later years are contained in Nos. 16 to 19 of the Papers of 1830, and there stated not to be included in the other charges, amounting to 741,000 *l.*, the greater part of which is in those accounts described expressly as Territorial?"

I regret that not having at present access to the Papers of 1830 referred to, I cannot give a definitive answer to this query; when I shall have had an opportunity of seeing them, if anything is found there properly Territorial, and not comprised in the Tables A and B I shall readily admit it.

Query. "Upon what grounds all reference to the fact of the cash and bills in the Indian treasuries having increased between 1793 and 1828 by 6, 251,867 *l.* (*vide* Second Report, Appendix No. 8, and continuation of No. 6 of Papers of 1830) has been omitted, and the inference drawn that that amount has been applied to Commercial purposes?"

I must here again ask permission to recal attention to the real question, with which, as I submit with great deference, this item can have no manner of connexion. When it is inquired

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

inquired respecting the general funds paid into the Treasury, what part has been received and disbursed on account of Territory, and what part on account of Commerce, it seems irrelevant to reply that there is a balance of 6,000,000 *l.* remaining unexpended; because the only question at issue must be answered before it can be determined to whom or in what proportion that balance belongs. It cannot even be used to account for a defalcation on the General Account Territorial and Commercial, because the defalcation is a result after considering the 6,000,000 *l*, as an asset; accordingly, it is not found in the Appendix No. 51.

It may be remarked, in general, of the particulars given by the Honourable Committee in that Appendix, that they are not proposed as new matter which has never before been brought to any account, but as being of the nature of loss or unproductive expenditure, and as having in that character occasioned a defalcation in the Honourable Company's general state, Territorial and Commercial, of 11,020,566 *l.*; for this purpose they are equally effectual, whether Territorial or Commercial. The deficiency I do not question. That the particulars mentioned by the Honourable Committee have contributed to produce that deficiency I do not dispute; every thing of a similar character must necessarily have contributed to it; but I confidently believe that they are either Commercial, or in the instances in which they are Territorial, they have already been introduced (with possibly some minute and unimportant exceptions) into the Tables A and B; in which case, the position is incontrovertibly established, that the defalcation on the Honourable Company's general affairs is not Territorial but wholly Commercial.

3, Copthall-buildings, London, 17th Dec. 1831. (signed) *Rob. Wilkinson.*

(No. 7.)—Letter from *T. Hyde Villiers*, Esq. to Mr. *Robert Wilkinson*, dated, India Board, February 8, 1832.

Sir,

IN reference to your letter of the 17th of December, I beg to enclose some remarks on the Answers which accompanied your letter; and I shall be obliged by your favouring me, at your earliest convenience, with any observations which you may wish to make thereon.

I am, &c.

(signed) *T. Hyde Villiers.*

(Enclosure in No. 7.)

REMARKS on the Statements relating to the Finances of India, forwarded by Mr. *Rickards.*

THE Accounts prepared under the direction of Mr. Rickards have in view, it is presumed, to support the position laid down by that gentleman in his evidence before the Committees of both Houses of Parliament, that so far from the East India Company's Commerce having assisted the Territorial concern, the former has not only constantly received extensive support from the latter, but the whole of the debt of India, since 1793, has been incurred exclusively for Commercial purposes.

The principle of the Statements now referred to, and the results drawn from them, appear to be the following, as may be gathered from the documents themselves, and from the explanatory letters of Mr. Wilkinson, the accountant employed by Mr. Rickards, which accompanied them. It is first asserted, that none of the Accounts before Parliament contain materials for an accurate statement of the Company's Commercial affairs: it is hereupon assumed, that as what pertains to the Territorial branch of the finances is fully set forth, if the resources and disbursements of that branch are first accurately ascertained, it will become apparent what has been the real condition of the Commercial concern, and "whether and in what degree" relief has been derived by the Territory from the Commerce, or the contrary.

The first Statement (A) professes to show that the Territorial revenues were sufficient, with the aid of a loan of 2,500,000 *l.* in the course of the period, not merely to defray the Territorial charges abroad and at home, (provided, however, only so much interest on the debts is included as is assumed to have been occasioned by loans for political purposes), but likewise that they would have discharged the debt outstanding in 1793, and that a surplus of 5,704,870 *l.*, in 1826–27, would have remained to the Territory.

A second Statement (B) exhibits the whole of the revenues and the net increase of the India debt as the Territorial resources, on which, charging the whole expenditure, including all the interest on the debt, there still results a surplus receipt in 1827–28 of 11,208,417 *l.* which is said to be wholly unaccounted for, unless applied to Commercial purposes. To this surplus is subsequently added (in the letter dated 10th May 1831) the difference between

the total interest paid, viz. - - - - - - - - -	£. 52,352,803
And the total interest on the debt alleged to have been incurred for Political purposes in Statement A stated at 11,208,417 *l.*, but which should be - - - - - - - - - -	11,389,043
that difference - - - -	40,963,760
added to the surplus above shown of - - - - -	11,208,417
makes a Total of - - - £.	52,172,177

Which

Which sum, it is asserted, "has been applied to Commerce from Indian revenue, and loans "ultimately charged to Revenue, in 35 years, from 1793 to 1828."

Or, as it is represented in another form,

Territory, between 1793 and 1828, has been deprived of its surplus of -	£. 4,347,675
And has been burthened by Commerce with a debt of - - -	47,824,502
Producing the same result - - - £.	52,172,177

These Statements thus profess to have accomplished what a Committee of the House of Commons, after three years' laborious investigation, with access to every source of information, declared it impracticable to determine; namely, what portion of the Company's receipts and expenditure, before the year 1814, belonged to each of the two great branches of their concerns. 4th Report, 1812, p. 452.

The want of a separation of the Political from the Commercial transactions of the Company in their Accounts previous to 1814 must always render it impossible to decide this point satisfactorily, or to ascertain what part of the India debt was incurred during that period for Commercial, and what for Political purposes. The solution of these questions is not the present object: it is proposed only to show, by a few remarks on some of the more extensive errors of the Statements under review, that they are insufficient to answer the ends for which they have been prepared, or to establish the conclusions drawn from them.

As it is assumed that whatever of receipts, either from revenue or from loan, is not accounted for in the two Statements has been applied to Commerce, it is evident that omissions, either of current Territorial charge or of expenditure, increasing the value of the Territorial property or assets, must equally render the conclusions fallacious. This remark is as applicable to the Account A as it is to the Account B: for although the former contains chiefly revenue on one hand and charge on the other, yet it professes to bring to account as a receipt as much debt as was required for Territorial purposes, and as a charge as much interest as was occasioned by that debt. Whatever therefore had a tendency to increase the debt and the interest, must proportionately alter its result.

In proceeding to notice some of the errors apparent in the Statements, the earliest period will be most attended to, because the want of separation in the Accounts leaves more room for erroneous representations, and because the Accounts of that period have undergone the investigation of a Committee of Parliament, the result of which is on record.

The first omission that attracts attention in the Statement A is, that the column headed "Net Charges of St. Helena" is entirely blank during the first 16 years, A note intimates that these charges "are supposed to be included in those for Bencoolen, &c. until 1809–10, when they begin to be separately stated."

That a part of the supply to St. Helena, namely, that from India, is included with those to Bencoolen, &c., is true, but it is clear, on the face of the Accounts, that but a small part is there included, and that the chief supply to the island is from England, for, first, in Appendix No. 51 to the Fourth Report, in which the deterioration of property from 1793 to 1810 is accounted for, besides the surplus charge in India, which includes the supplies to Bencoolen, &c., there is inserted (page 520,) as an additional expenditure, Charges and

Losses at St. Helena adjusted - - - - - - - - -	£. 1,046,653
And for the purchase of Dead Stock at St. Helena - - - -	58,698
Total - - - £.	1,105,351
2dly, In the same Account, from the total "Supplies to Bencoolen, &c. is deducted the supply to St. Helena, included in it, which amounts only to - - - - - - - - - - - - -	131,406
Leaving still - - - £.	973,945

not charged in the Indian Accounts.

3dly, By reference to Appendix No. 19 to the same Report, which distinctly states the sources whence St. Helena derived her funds, it is evident that by far the larger part was derived from England, and consequently could not be included in the charges of the Indian Governments.

As the Statements now referred to profess to include every Territorial charge abroad and at home, and as they include the charge of St. Helena in the later years, the net charge of 973,945 *l.*, above shown, ought to have been charged against the Territory. Such also was the principle adopted in the plan of separation of 1814. As a Territorial charge, it must have been provided for by an equivalent issue from Territorial resources in India. To the sum above stated must be added, therefore, interest on the amount during the greater part of the period; for in most of the years subsequently to 1796–7 the revenues were insufficient to defray the charges, and money must have been borrowed to defray this charge; and further, in the several years in which the surplus of receipt from Revenue was insufficient to discharge the interest on the debt, new debt must have been contracted for that purpose; so that in order to correct the statement of interest adopted in the Account, compound interest on much of the amount to which this remark applies should also be added.

 Another

Appendix, No. 25. Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

Another class of Territorial payments of large amount is omitted from the Statements, consisting of the sums paid to the creditors of the Nabobs of the Carnatic and the Rajah of Tanjore. The amounts are—

Payment to Creditors of the Nabobs of Arcot in India - - -	£. 1,058,953
Ditto to ditto of Rajah of Tanjore in India - - - - -	64,044
Ditto to ditto of the Nabobs of Arcot at home - - - -	10,960
Ditto to ditto of Rajah of Tanjore, ditto - - - - - -	225,056
Total - - - £.	1,359,013

3d Report, p. 365. 4th Report, p. 440.

These payments are described, in the Third Report of the Select Committee, as "an issue of money, or loss, which may, in fact, be classed among the charges of the Indian Territories;" and in the Fourth Report, as "immediately connected with the Territorial affairs of the Company."

They constituted a charge or incumbrance on the districts which the above-mentioned native princes made over by treaty to the Company, arising out of debts not contracted by the latter, and not having formed a part of their resources.

3d Report, App. Nos. 18 & 19. 2d Report, App. No. 4.

Interest on the amount also requires to be added, upon the principle described under the last head. It should be observed, that in the years in which the principal part of these payments was made at Madras, there was a deficit at that Presidency, and money must have been borrowed to meet them.

	£.
Doubtful - -	5,953,660
Increase of Dead Stock,	862,992
D° - St. Helena,	58,698
£.	6,875,350

Of a large class of charges not included among the sums charged on the revenues, denominated by the Select Committee, in their Fourth Report, "Doubtful as to the part Territorial or Commercial," and "Increase of Dead Stock," which, from 1793 to 1809, amount together to 6,875,350 *l.*, no part is admitted into these Statements as chargeable to the Territory, except the supplies to Bencoolen, Prince of Wales Island, &c. amounting to 2,817,146 *l.* thus leaving a further sum of 4,058,204 *l.*, which, although the precise proportion chargeable to each branch cannot be ascertained, it would be very inequitable to place to the exclusive account of the Commercial branch.

App. to 3d Report, Nos. 22 & 23.

The losses by consignments from port to port in India, and losses at the several Presidencies, amounting to 1,334,831 *l.*, must be, to a great extent, political, considering the extensive consignments of political property in constant transit by sea during a period of more or less active warfare, and the losses arising in exchange, and other contingencies affecting the financial transactions of so wide a range of Territorial possession; and considering likewise, that the Company do not generally carry on any trade from port to port in India.

Accounts of 1830, Nos. 16 & 17.

Further similar losses were incurred from 1809–10 to 1813–14, amounting to 301,598 *l.*; and from 1814–15 to 1826–27, losses, exclusively of a Territorial character, amounting to 349,307 *l.*

4th Report, p. 448.

Of the sum paid to the Public as "participation," namely, 500,000 *l.* the Territorial revenues must be considered as supplying at least one moiety. The Committee of 1812 denominated this sum "a certain portion of the profits accruing to the Company from the prosperity of their Revenue and Commerce." The Territory, therefore, should certainly bear a share of the payment.

Papers of 1830, No. 24, p. 55:

	£.
Increase of Dead Stock not in Charges 1792–3 to 1808–9 - -	921,690
D° - - - to 1826–27 (Accounts of 1830, No. 19) - - - -	90,946
£.	1,012,636

Of the Increase of Dead Stock, if a judgment may be formed by the proportion belonging to the two departments as shown in the Account of Stock per Computation of 1814, wherein the Company apportion what they consider to belong to each, nearly the whole of the sum of 1,012,636 *l.* disbursed on that account, would be Territorial, for the Territorial Dead Stock was valued in 1814 at 11,735,532 *l.*, the Commercial at 475,364 *l.* only.

There are other particulars under this head, a proportion of which might be easily shown to have been political, but their amount is not such as to render it of importance for the present purpose. Looking, therefore only to the three heads above noticed; if, of the losses which are brought to account

	£.
1,334,831	
301,598	
£. 1,636,429	

from 1792–3 to 1813–14, amounting to 1,636,429 *l.*, the sum of - - £. 1,000,000
which is less than two thirds, be considered Territorial, and to this be added
the Territorial loss since, viz. - - - - - - - - - 349,307
and if, of the participation paid to the Public, one half is assumed to be on
account of the Indian revenues, being - - - - - - - 250,000
and if, further, of the Increase of Dead Stock there be considered as Territorial - - - - - - - - - - - - - 850,000

the result will be, that an additional sum of - - - - - - £. 2,449,307

should have been included, under these heads alone, as expenditure on Territorial account, together with the interest accruing upon it, in consequence of the insufficiency of the revenues to defray the demands upon them in most years, which caused a proportionate augmentation of the India debt.

Thus, under the three principal heads which have already been considered payments out of Territorial resources are not brought to account in the Statements under review, although

although contained in the documents from which those Statements were drawn, to the amount of 4,782,265 *l.*

If only simple interest upon this amount, at the rate borne by the India debt, were added to it from the periods of disbursement to the year 1827–28, the effect of the omission of these charges would appear to be not less than 13,000,000 *l.* sterling.

	£.
St. Helena - -	973,945
Carnatic and Tanjore Debts - - -	1,359,013
Miscellaneous - -	2,449,307
£.	4,782,265

But further and more extensive alterations would still be requisite.

Another important head of expenditure, not referred to in the Statements under consideration, is the advances made on account of His Majesty's Government for the capture and maintenance of Ceylon and the Eastern Islands, for the fitting out of expeditions during the late war, for supplies to the King's Navy in India, &c. &c. It appears, from the Appendix, No. 17 to the Third Report, that a large amount advanced on this account, and admitted by the Select Committee of 1808, was included in the charges and interest paid in India, and was charged upon the Revenues; but that a further part was not so included. In the Appendix No. 51 to the Fourth Report, already referred to, this part is stated to amount to 1,661,345 *l.*, which, in the Third Report (page 365), is explained as consisting of the balance of admitted charge shown in Appendix No. 17; viz. - - - - - - - - - - - - - - - £. 1,223,571

And the sum advanced by the Company, but not admitted by the Select Committee as a charge against the Public, amounting to - - - 437,774

Total as above - - - £. 1,661,345

This is evidently not a Commercial charge; and as it appears from the Account No. 17, that it occurred almost entirely in years in which there was a Territorial deficit, it follows that debt must have been incurred to meet it; which, together with the interest thereon, and the further debt and accruing interest in the majority of years when the produce of the revenues was insufficient to defray the charge of interest, constitutes a sum of large amount, which, although the transactions producing it are of a character different from such as are usually included under the Territorial branch of the Company's concerns, was strictly a political disbursement, and could not be "applied to Commerce." The amount, therefore, forms a further deduction from the funds assumed to have been so applied.

Here it may be proper to notice, that a continuation of this Account to a later period was presented to the Committee in the last Session, subsequently to the date of the Statements now under review. This Account embraces the extensive advances which were made for the outfit of the expeditions against the French and Dutch islands, and the subsequent supply of the captured settlements, which advances stand on a similar footing with those above-mentioned. It is stated expressly that no part of them was included in the charges, and for the most part they could only be supplied by a large increase of the Indian debt. App. to Evidence presented in Oct. 1831, No. 41.

The amount of these advances, from 1806–7 to 1821–2, was -	£. 11,277,839	
And the interest upon them is calculated at - - - - - -		£. 7,271,220
Credit is given for repayments by His Majesty's Government made in England, amounting in principal to - - - -	9,291,940	
The interest on which is stated at - - - - - - - - -		3,574,903
Leaving a balance of Principal of - - - - - - -	1,985,899	
And of Interest of - - - - - - - - - - - -		3,696,317

Which balance was settled by compromise in 1822.

None of the above transactions are connected in any way with Commerce. The debt incurred on account of these large advances, instead of being incurred for Commercial purposes, as is alleged, was occasioned entirely by the demands for the King's service. As the repayments were made in England, they did not operate to reduce the debt thus increased, although, by their application to Territorial demands at home, they prevented, to that extent, its further increase.

But further, in the assumption that the surplus of Territorial receipts from revenue and from loans, which is made to appear in the Account B, is "wholly unaccounted for, unless it has been applied to Commerce," the fact has been passed over, which is evident on the face of the statements from which that account was compiled, that the *Balance of Cash and Bills in the Indian treasuries* has greatly increased during the period under review, and that by far the larger part of that increase must have been Territorial. Such balance must have been created by the application to that purpose of an equivalent amount of the Territorial resources, which amount has not been expended at all, and consequently cannot have been applied to Commerce.

On reference to Appendix No. 8, of the Second Report (1810), and to the continuation of No. 6 of the Papers of 1830, it will be seen that the increase of the balance in the treasuries, between 1793 and 1828, was 6,251,867 *l.* The increase has been gradual, but more rapid during the last half of the period. In the years in which it was not supplied from surplus Revenue, it must have been produced by the retention in the treasuries of money borrowed; not only, therefore, will the sum assumed to have been applied to Commerce be greatly diminished by the requisite correction arising from the actual amount of increase under this

	£.
On 30th April 1828 -	8,106,360
D° - - 1793 -	1,854,493
Increase - - £.	6,251,867

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

Accounts of 1830, No. 6.

Continuation of Accounts of 1830, No. 6.

this head, but a still larger sum, in interest, with which the Territory is said to have been "burthened by Commerce," must, under this view, be carried to the account of the former.

That the cash so accumulated is mainly Territorial will be evident, when it is remembered that the increase has arisen from the multiplication of treasuries scattered over vast tracts of territory acquired during the period under review, arising from the cessions or conquests enumerated in the Narrative No. 2, (D) of the Papers of 1830, nearly the whole of which treasuries are exclusively maintained for Territorial purposes. This view is confirmed by the fact, that when the cash in the India treasuries was carried to separate account in the year 1814, the whole that was considered to be Commercial was 207,147 *l.* out of 5,887,032 *l.*

In 1828, the Commercial cash is stated to amount to 383,939 *l.* out of a balance of 8,106,360 *l.*

Further decrepancies in the Statements under consideration might be pointed out, some of them of not less amount than the heads of omitted charge first noticed in this Paper; but it is presumed that enough has been shown, and shown chiefly from the documents whence the materials of the Statements were selected, or from others in the same collections, to make it evident that the Statements cannot be relied upon, and that they by no means establish or countenance the assertions which gave birth to them. It may be further observed, that the Accounts in question equally fail in supporting the views taken by Mr. Rickards in the Statements presented by him to the Committee of the House of Lords in 1830, with the principles as well as the results of which the Accounts now brought forward are in several respects at variance.

Lords' Evidence, p. 337.

(No. 8.)—Letter from Mr. *Robert Wilkinson*, to *T. Hyde Villiers*, Esq. dated, 3, Copthall-buildings, 21 Feb. 1832.

Sir,

I REGRET that circumstances have rendered it impossible for me to transmit more promptly the accompanying observations on the Papers which I had the honour to receive from you. It is difficult to arrive at perfectly conclusive results with respect to detached portions of the Account between the Territorial and Commercial branches of the Honourable Company's concerns, unless principles be first agreed upon, and details investigated which the Honourable Company alone can furnish.

I have, &c.

(signed) *Robert Wilkinson.*

EXPLANATIONS, &c.

£. 973,945 charges of St. Helena.

WITH respect to the first of the objections stated to the Tables, viz. the sum of 973,945 *l.* charges of St. Helena, there is nothing in the Appendix No. 51, to the Fourth Report, which could lead to any other conclusion than that this sum is included in the larger amount, 2,817,146 *l.*, as explained in my Statement of 17th December; if, however, it is to be considered as additional to that amount, its admission against Territorial revenue would only be subject to the general observation, that the whole of the expenses of

Bencoolen, Prince of Wales Island, &c., including St. Helena, to 1808–9 - - - - - - - - - - - -	£. 5,069,114
And of St. Helena separately, from 1809–10 - - - - - -	1,887,462
Together - - - -	£. 6,956,576

although introduced into my Tables for the purpose of showing the result of the account of Indian revenues, even admitting these charges in conformity with the example in the Appendixes to the Reports, but subject to the explanations afterwards given by the Honourable Committee of their Non-territorial or only partially Territorial character, yet that in my judgment either the whole or by far the greater proportion ought to be struck out from the account of Territorial charges as strictly appertaining to Commerce, those establishments having been founded and maintained, as it appears to me, not with any view to Territorial objects, but for purposes exclusively Commercial.

£ 1,359,013 payment to the creditors of the Nabob of Arcot and Rajah of Tanjore.

On the payments to the creditors of the Nabob of Arcot and the Rajah of Tanjore, I have nothing to add to the remarks in my Statement of 17th December, except that neither the "Observations," nor the Appendix No. 51, to the Fourth Report, establishes the position that 1,058,953 *l.*, and 64,044 *l.*, paid in India, and constituting the principal part of the amount, are not included in the Madras disbursements, and consequently not included in the Territorial charges.

Doubtful - -	£. 5,953,660
Increase of Dead Stock	862,992
Ditto at St. Helena -	58,698

The next item in the "Observations," viz. 5,953,660 *l.*, denominated by the Select Committee "doubtful," includes the charge for St. Helena 973,945 *l.*, which had already been treated of separately; and of the remaining items, I have only to observe, in addition to my Statement of 17 December, that I find nothing in the Appendix No. 51, to take the Dead Stock in India, 862,992 *l.*, and ditto,

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£. 500,000 paid to the Public.

Losses from Port to Port £. 1,334,831, and additional from 1809–10 to 1826–7

ditto, St. Helena, 58,698 *l.*, out of the general rule thus described in No. 19, p. 40, of the Papers of February 1830, and in various parts of the Reports: "These stores (speaking of Dead Stock) "are composed partly of stores purchased and paid for in India, and partly of stores purchased and paid for in England. The cost of the former has been included in the Indian charges; the cost of the latter has been stated in the Home charges." Nor does it appear what portion of them is Territorial; nor does either the Honourable Committee, or the writer of the Observations, deduce from the whole any specific sum as chargeable to Territory.

I have nothing further to remark on the 500,000 *l.* paid for participation of profits to the Public.

With respect to the losses by consignments from port to port in India, 1,334,831 *l.*, whatever importance might reasonably be attached to the description now given of the Honourable Company's transactions between port and port, the remarks in my Statement of 17 December still hold good to their full extent. Whether any, and what part, should be charged to Territory, must depend on an analysis, which the printed Papers do not supply the means of undertaking, and without such an investigation it is difficult to conceive that the Commissaries or others who supplied those shipments which were Territorial, did not charge them to some account in which credit has already been taken for them as disbursements or charges, and in that case it is erroneous to bring them forward a second time in the character of losses. The same reasoning is considered to apply to the additional sums of 301,598 *l.* from 1809–10 to 1813–14, and 349,307 *l.* from 1814–15 to 1826–27.

Increase of Dead Stock *not in Charges.*

1792–3 to 1808–9 -	£. 921,690
1826–7, D°, N° 19 -	90,946

Without further information it is difficult to understand and impossible to ascertain that the sum of 921,690 *l.* and 90,946 *l.* increase of Dead Stock, are not included in the charges either of India or England at the various periods when the disbursements for them were made, and no explanation is given which requires that the rule before referred to must in this case be dispensed with. It is obvious that if they were included in political stores shipped from England or purchased in India, they are comprised as charges in my Tables.

The writer of the Observations proceeds to remark, that if the various particulars enumerated above were brought to account, they would constitute together an additional amount of charge against Territorial revenue of 4,782,265 *l.*, or, with interest to 1827–8, not less than 13,000,000 *l.*; but I beg leave to suggest, that the premises must be much better established before they can be admitted in the character contended for; nor, if they were, can it be thought sufficient merely to correct one side of the account while there are other large amounts to be brought to the opposite side, which ought in fairness to be considered in connexion with them, such as the following:

Loan in England in 1812, charged with the interest to Territorial revenue, for which Revenue received nothing - - - - - -	£. 2,500,000
Interest thereon - - - - - - - - - - - -	1,307,985
Loan from the Nabob of Oude, liquidated by a grant of Territory - -	1,109,975
	£. 4,917,960

These sums are not introduced into my Tables as receipts on account of Territory, and therefore are to be considered, until some general adjustment, embracing all these and other particulars, shall be made, as advances by Territory to Commerce, for which the former has not had credit, and constitute more than a sufficient set-off against the above 4,782,265 *l.*, even if the 6,956,576 *l.* disbursed for Bencoolen, St. Helena, &c., were allowed to remain a charge against Territory.

£. 1,223,571 and £. 437,774, claims on the Public for Ceylon and the Eastern Islands.

The next items of 1,223,571 *l.*, the balance of admitted, and 437,774 *l.* of unadmitted, claims against the Public, for the capture and maintenance of Ceylon and the Eastern Islands, &c. are introduced in the following manner: "It appears from the Appendix No. 17 to the Third Report, that a large amount advanced on this account, and admitted by the Select Committee of 1808, was included in the charges and interest paid in India, and was charged upon the Revenues, but that a further part was not so included;" this further part was 1,661,345 *l.* composed of the two above-mentioned sums. This, it is said, was not a Commercial charge; that it was almost entirely occasioned in years in which there was a Territorial deficit, and that therefore debts must have been contracted to meet it. It is allowed that "the transactions producing it are of a character different from such as are usually included under the Territorial branch of the Company's concerns," but that it was "strictly a Political disbursement, and could not be applied to Commerce." Here are one or two assumptions; as, first, that there was a Territorial deficit in the years which gave occasion to these transactions; and, secondly, that they are necessarily to be charged to Territorial revenue. But to assume as a matter of course that there was a Territorial deficit in those years, is to take for granted what will not readily be admitted to the extent demanded, nor without adding to the revenues of current years the remaining surplus upon the Territorial receipts of former years, on an account fairly stated; and it is contended, that such an account would exhibit, not a deficiency, but a large surplus of Revenue for the whole period. Whether these expenses are properly chargeable to Territory must depend, as it appears to me, upon some considerations which have not been alluded to in the Observations, and, chiefly, whether the security or increase of the Indian Territorial revenue was the object of them; but this supposition is very positively negatived by the Honourable Company in their correspondence with the Lords of the Treasury on the subject of their claims

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

Appendix to First Report, p. 52.

claims for reimbursement, as given in the Appendix to the First Report; they repeatedly declare that these expeditions were not considered necessary by the Company to those objects, and never would have been undertaken, except at the instance of the Government, against whom their claim is preferred, upon that ground, for the whole amount. What branch of the Company's concerns was it then which was to derive advantage from these undertakings, since Territorial revenue was certainly to receive none? They urge upon the consideration of the Lords of the Treasury the disadvantages arising to the Company from a state of war in India, arising out of European warfare; but subjoin, "although it may be admitted, that notwithstanding these additional imports, the trade of the Company during the last war flourished beyond example; still this circumstance produced considerable advantage to the State, in the mode above described, whereas the Company by no means benefited in proportion, because, from the heavy expenses of their military establishments, and other incidental causes, they have been obliged to borrow money in India at very high rates of interest, to supply the investments for Europe, which have furnished the sales at home, on which Government have reaped so great advantage, from the duties levied thereon." It is not surprising that the trade of the Company should appear to flourish under a system which allows the investments for Europe to be furnished from loans in India, not charged to Commerce, but to Territorial revenue, while the payments in England for Territorial account are likewise charged to Indian revenue. That the investments were so provided is here distinctly admitted; and something of the process by which Territory is thus burthened, and Commerce relieved, will appear from the consideration of the Appendixes No. 4 to the First Report, and No. 17 to the Third Report. We collect from the former, that the Company's claims on the Government amounted, in principal and interest, to 8,461,331 *l.*; and from the latter, that of this amount 8,212,372 *l.*, principal and interest, have been admitted; of which there has been 3,675,533 *l.* principal, and 3,313,268 *l.* interest, placed to the account of Indian charges, and consequently the principal, 3,675,533 *l.*, is included in my Table A in diminution of the balance which would otherwise have appeared as the surplus of Indian revenue; yet the whole, together with the 1,223,571 *l.*, alleged not to have been carried to the same account, are claimed from and liquidated by the Government. I am sensible that some part of this claim has not been repaid to the Company in money; there is a large deduction for Pay-office and Victualling-office demands; but it seems reasonable, upon the supposition that Territory was correctly charged with these disbursements in the first instance, that any monies received from the Government in repayment should pass to the credit of Territorial revenue: and it appears, from Appendix No. 4 to the First Report, that no less a sum than 3,400,000 *l.* of principal, carrying 841,900 *l.* interest, was so received in Leadenhall-street, from August 1798 to July 1806. It appears to me, therefore, that in the statement of Indian revenue, either the above 3,675,533 *l.* must be withdrawn from the charges, or 3,400,000 *l.* must be added to the receipts. When this correction is made, viz. when 3,400,000 *l.* are admitted as a receipt on account of Territorial revenue, if the balance of 1,661,345 *l.* be held to belong to the administration of the government of India, it would be rightly placed amongst the Indian charges.

Balance of Charges on the French and Dutch Islands,
Principal £. 1,985,899.
Interest £. 3,696,317.

The next item exhibits a balance of 1,985,899 *l.* principal, and 3,696,317 *l.* interest, abstracted from Territorial revenue or Indian loans, and applied to the outfit of expeditions against the French and Dutch Islands, and subsequent supplies to the captured settlements, from 1806–7 to 1821–2, which are represented to "stand on a similar footing with those above-mentioned." The first remark to be made upon this item is, that the Statement to which it refers, Appendix No. 41 to Evidence presented in October 1831, was printed subsequent to the preparation of my Tables, and could not therefore have been consulted by me. The second is, that when the documents upon which those Tables are founded are described as containing "the total annual amount of the Revenues and Charges" of India; and when this description is adopted and confirmed by the Honourable Committees, it could scarcely have been expected that an account extending in amount to so many millions, and in duration from 1806–7 to 1821–2, should have remained unnoticed during the whole period, to be first brought forward in 1831, and the balance claimed as a charge against the Territorial revenues of India. And, considering the example presented by the preceding part of the account, wherein similar advances have been *included* in the Indian charges, least of all could it have been expected that in this continuation of it they should have been *excluded*; yet such is represented to be the fact, both in the Observations and in a note at the foot of the printed Statements. But it moreover appears, from the Treasury Minute alluded to, that His Majesty's Government liquidated the account, by placing to the Honourable Company's credit, as from 1812, 1,300,000 *l.*, which, when the interest from that period is added, will leave but a comparatively inconsiderable balance (if any) on this head of claims. This account, however, appears to me to stand upon a different footing from the preceding one, in this respect, that if the disbursements contained in it are to be considered as charges appertaining to the administration of the Government of India, which I am not prepared to admit, and have not been liquidated, they constitute new matter, never before disclosed, to be brought to account against the Territorial revenues of India, which must also have credit for the payments received from Government, and otherwise, on account of them. But there should first be an investigation of the nature of these charges with reference to the principal, and an ascertainment of the true state of the Indian revenue, as a distinct and separate account, with reference to the necessity for borrowing and the amount of interest claimed. But although I have thus supposed a case in which the subject of the two preceding articles would

would be placed to account of Territorial charges, I must beg leave to retain the opinion, that these expeditions were undertaken mainly with a view to the security and advantage of Indian commerce, and that the expense ought to be divided in proportions, to be fixed by competent authority, between Commerce and Territory.

It is remarked that these advances "could only be supplied by a large increase of the Indian debt; but this considered alone proves nothing with respect to the propriety of charging these loans with the interest to Territorial revenue; it should further be shown, by an account fairly stated, that the exhausted state of the Indian treasury was occasioned by a deficient revenue; and if it should appear, on the contrary, upon such an account, that there had been a sufficient surplus of revenue, but that the exhaustion of the treasury was occasioned by the surplus having been applied, like the loans referred to in a preceding extract, to the supply of investments for Europe, there would manifestly be as great an impropriety in charging these as there was in charging those to Territorial revenue.

It is represented as a great oversight that the increased balance of cash and bills in India in 1828 over that of 1793, 6,251,867 *l.* has not been admitted as accounting for the surplus of receipts over disbursements for Territorial account 11,208,417 *l.* in the Table B. The expectation that it should have been so admitted can only be founded upon a mistaken view of the nature of that Table; it does not purport to be a statement of Indian receipts and disbursements alone, but professes to collect from the accounts in India and England, considered as one general cash account, all receipts and disbursements which, in the printed Papers, are treated as appertaining to Territorial revenue and charges: it brings, in addition to the revenues, the loans of India to the debit of the account, and admits to its credit the interest on those loans, in addition to the charges, as well in England as in India, designated Territorial, in order to try the truth of the allegation, that the Indian loans were necessary to supply the deficiency of Indian revenue, it being obvious that if such were the case, there could be no balance upon an account containing the whole of those receipts and payments; and it is shown that the disbursements amount to less than the receipts from revenue and loans by 11,208,417 *l.*; this therefore may, for that purpose, be called the Territorial portion of the general cash account in India and England, as collected from the representations of the Company in the printed Papers. But if we advert to the Commercial branch of the same general account, we find it asserted by Mr. Melvill, in his Evidence, Second Report 1830, p. 763, that Commerce has contributed to Territory, or, which is the very same thing, to the general fund, from 1813–14 to 1827–28, the sum of 19,384,774 *l.* Now the only way in which Commerce could make this contribution would be by supplying to the general fund 19,384,774 *l.* more than it has withdrawn; if therefore the surplus said to have been contributed by Commerce has not been diminished by Territorial demands, (which cannot be if the Table contain the whole), there ought to remain upon the general cash account,

		£.
The balance of the Territorial account - - - - - - - -		11,208,417
And of the Commercial ditto, from 1814 to 1828, to say nothing of the previous alleged balance of 12,044,934 *l.* - - - - - - - -		19,384,774
Making together - - - - - - - - - - - - - -		30,593,191
But the balance actually found is, in India - - -	£. 8,106,360	
in England - - -	312,638	
		8,418,998
There is therefore an amount of - - - - - - - - £.		22,174,193

Which is a deficient balance, and to be debited to Territory or Commerce, or to both, in proportions to be adjusted, before it can be ascertained to whom the balance really existing belongs. But considering the Table B as the Honourable Company's own representation in the printed Papers of what ought to be charged to Territory, it is thus shown to be impossible that Commerce can have contributed 19,384,774 *l.*, or any other sum, to Revenue: on the contrary, the balance supplied by Territory alone, even after placing to that account the whole of the interest, we see is not forthcoming. But it is further maintained that the Table A contains in effect the true statement of Territorial revenue and charges, (subject to adjustment on both sides of the account, which will probably not materially affect the result); and in that case, Commerce must be debited with all the loans and all the interest not required to assist Territorial revenue, and thus we return to the position from which we originally set out.

3, Copthall-buildings,
21 February 1832.

(signed) *Robert Wilkinson.*

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

FURTHER OBSERVATIONS on the STATEMENTS forwarded by Mr. *Rickards*.

THE second paper of "Explanations," in reply to the "Observations on the Statements relating to the Finances of India, forwarded by Mr. Rickards," might have been suffered to pass without particular notice, under the impression that every impartial reader who is conversant with the subject would see that the objections which have been urged are in no respect invalidated by those Explanations, were it not that the attempt made to evade their force, and, in some instances, to occupy new ground, may render a few brief observations in reply desirable, in order to obviate misconception upon a question of some intricacy, not usually much investigated, but which has now become one of considerable interest.

Before the details are taken up, it may be proper to recal the grounds on which the Statements put forward by Mr. Wilkinson rest, and what has been the drift of the remarks made upon them. Those Statements professed to show, that if every description of the Territorial disbursements of India were brought in charge against the revenues, from the year 1793–94 to the year 1827–28, inclusive, the revenues would have been more than sufficient to cover them; and consequently that the debt incurred must have been on Commercial, not on Territorial account. This, it is assumed, is corroborated by a further statement, showing that if credit be given for all the receipts from loans as well as from Revenue, and all charge on Territorial account be set against the aggregate, a considerable surplus will remain, which is unaccounted for, unless it has been expended upon the Company's Commerce, to which it is asserted that the surplus, which is made to amount to above 52 millions, has been applied.

Supposing the resources to be accurately carried to account, which is a comparatively simple process, it is evident that the validity of the conclusion drawn from such a statement entirely depends upon the fidelity with which every charge of a political character is brought into view; and this point is of the more importance when the addition of interest, and often of compound interest, according as the annual result and the amount of debt alters from year to year, so extensively affects the *general* result of a long period.

The object, therefore, of the observations already made has been chiefly to inquire into the accuracy of the charges, whence it has become necessary to point out omissions in the Indian charges alone, so numerous, and of such magnitude, as render the Statements in question wholly insufficient for their professed purpose.

It should however be remarked, that the errors in these Statements are not confined to the side of the charges, for under the head of "Increase of Debt by additional Loans," in Table B, a considerable sum is included which does not fall under that description, consisting of arrears of allowances to the civil and military servants of the Company, interest due, &c. which, though they constitute a debt, could not have been available as supplying additional funds. This over-debit to the Territory affects the result materially in the course of the period reviewed.

	£.
In 1792 the amount of them was - - - - -	1,150,172
In 1828 it was - - - - - - - - - -	2,554,335
Being an Increase of - - -	£. 1,404,163

To proceed to the expenditure from revenue or from loans, omitted in the Tables. *First*, Charges of St. Helena, 1793–94 to 1808–09, 973,945 *l.* This was shown in the "Observations" not to have been included in the charges taken as Territorial in the Tables, on three grounds:

1. Their being introduced by the Committee of 1812, in Appendix No. 51, to the Fourth Report, (the object of which was to account for a deterioration of property in the period above stated), as an expenditure over and above the surplus charge in India, of which "supplies to Bencoolen, Prince of Wales Island and St. Helena," formed a part.

2. The amount of 131,406 *l. only* being deducted in that Appendix from the above item of supplies as the amount advanced *in India* on account of St. Helena; and,

3. The supplies to St. Helena appearing from Appendix No. 19, to the same Report, to be drawn almost entirely from England, not from India.

It may be added that it is a fact well known to those conversant with the Company's accounts, that the charge of St. Helena has always been stated as a branch of the home expenditure.

In the "Explanations" it is asserted, without any attempt at proof, that there is nothing in No. 51, of the Fourth Report, which shows that these charges have not been before included. The third proof to the contrary is wholly unnoticed. But it is added, that if this is to be considered as an additional charge, its admission will only be subject to the general observation, that the whole, or the greater part of the supplies, not only to St. Helena, but to Bencoolen and Prince of Wales Island also, amounting to 6,956,576 *l.*, should be struck out of the Territorial charges, as strictly appertaining to the Commerce.

To this it may be replied, that it is the first time that the charge of Prince of Wales' Island has been asserted to be a Commercial charge, and that no argument whatever is adduced in support of the position; and with respect to Bencoolen and St. Helena, that the authorities invested by the Legislature with power to decide the point, have declared the charge of those places to appertain to the Political branch; and unless it can be shown

shown that they stood on a different footing previously to 1814, it must be so considered Political in the earlier period. When a division of expenditure into Political and Commercial is to be made, the cost of maintaining forts and garrisons for the occupation of places unproductive as Commercial establishments, naturally falls under the former description, and it was so classed accordingly. With respect to St. Helena, it can never be admitted that the full charge may be introduced in one half of the statement, and excluded in the other

Secondly. Payments to Carnatic and Tanjore creditors, 1,359,013 *l.*

It is observed in the Explanations, that nothing in Appendix No. 51, of the Fourth Report, establishes the position that the sum of 1,122,997 *l.*, paid in India, was not included in the Madras disbursements; but the very fact of the amount being introduced in that Statement, in addition to the "Surplus Charge in India," from 1792–93 to 1808–09 (which is the result of the finances of the three Presidencies, after including all that was inserted in the Madras disbursements), as an additional means of accounting for the deterioration of property in the period, clearly establishes the position that these payments had not been previously included. Another proof is, that they are brought into view in the Third Report* of the Committee, which was particularly directed to the consideration of *extraordinary* receipts and payments not embraced in the Accounts yielding "the Surplus Charge in India" above referred to, which were reviewed in the *Second* Report.

That payments attaching to portions of the territories of two native princes which had come into the possession of the British Government in India, should be treated as a "Commercial loss," is too absurd a position to require refutation.

Under this and the last head errors exist to the extent of 2,332,958 *l.*, with all the interest which would accrue from the introduction of them into the Table (A) at an early period.

£. 1,359,013
973,945
£. 2,332,958

Thirdly. Losses by consignments from port to port†, and losses at the several Presidencies - - - - - - - - - - - - - £. 1,985,736
Increase of Dead Stock - - - - - - - - - - 1,012,636
Participation paid to the Public - - - - - - - - 500,000

1. *Losses.* In the former Explanations of 17th December, it was contended that it was impossible to ascertain how much of these losses was Territorial, and how much Commercial, and therefore the whole was omitted from the Territorial charges. In the Explanations of 21st February it is insinuated, that the whole must have been included in the charges, and therefore cannot be brought forward a second time as losses.

As to the latter point, it is unquestionable, whatever be their character, that they have not been included in the charges. The insertion of them by the Committee in the Appendix No. 51, to the Fourth Report, in addition to the surplus charge of India, proves it. Moreover, the losses at the Presidencies are there described expressly as "not included in the charges;" those from 1809–10 to 1813–14 (Papers of 1830, No. 16) it is as expressly stated in the title of the Account, "have not been inserted in the charges of the said Presidencies;" and those of 1814–15 to 1826–27 (Papers of 1830, No. 17) have precisely the same description. If this were not sufficient, both the losses from port to port, and at the Presidencies, are introduced by the Committee in their *Third* Report, and are consequently *extraordinary* payments not included in the charges. This point is therefore indisputably established from the Papers from which the materials of the Tables (A) and (B) were drawn; and as to the proportion that is Territorial, it was proposed upon grounds stated in the Observations, that of the sum of 1,636,429 *l.* undistinguished, 1,000,000 *l.* might safely be assumed to be Territorial, while the sum of 349,307 *l.* is in the account of those losses declared to be exclusively so; and as no objection has been stated to this division, it follows, that to the further extent of 1,349,307 *l.*, with interest, the Tables require correction.

Vide Appendixes to 3d Report, Nos. 23 & 26.

2. *Increase of Dead Stock.* In the "Explanations" of 17th December, the only remark on this charge is the following: "The cost of the dead stock has been included in the Indian charges, as I well recollect to have read in some part of the printed Papers." In the Explanations of 21st Eebruary, it is observed on this point, "I find nothing in the Appendix No. 51, to take the dead stock out of the *general rule thus described* in No. 19, of Papers of February 1830, and in various parts of the Reports: 'These stores,' (speaking of dead stock) 'are composed partly of stores purchased and paid for in India, and partly of stores purchased and paid for in England. The cost of the former has been included in the Indian charges, the cost of the latter has been stated in the Home charges.'"

It

* The payments in question are introduced, in App. No. 26 to the Third Report, as *Extraordinary* Disbursements. See also Third Report, p. 365.

† 1792–3 to 1808–9: Losses from Port to Port - - - £. 873,403
Losses at the several Presidencies - 461,428
£. 1,334,831
1809–10 to 1813–14: - - - Ditto - - - - - - 301,598
Total Losses not distinguished - £. 1,636,429
1814–15 to 1826–27: *Territorial* Losses, - ditto - - 349,307
£. 1,985,736

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

It would hardly be supposed, that this remark does not apply at all to the articles in question. On reference to the Account No. 19,* it will be seen, that it applies to the head of Military Stores alone, and those of a period subsequent to 1809, whereas the charge now referred to applies to the increase of dead stock *in the Civil Department*, which took place in previous years. It is evident that this is no "general rule" applicable to dead stock; indeed, in the very account referred to (No. 19,) a sum of 90,946 *l.* increase of dead stock, is expressly stated to be "not included in Charges in India."

So also the title of the account of the increase of dead stock (Appendix No. 25 to the Third Report) describes the expense as "not included in the charges."

As the Appendix No. 51, does not determine what proportion of this charge is Territorial, reasons were stated in the Observations why the part chargeable to that branch might fairly be estimated at 850,000 *l.*

3. *Participation paid to the Public*, 500,000 *l.*

Half this sum it was proposed to charge to the Territory, as the Committee of 1812 describe it as composed of profits from the Revenue and the Commerce conjointly. In the Explanations it is contended that it is entirely Commercial, but it seems to have been more a Territorial than a Commercial payment, since it was one of the appropriations of the Revenues of India, and the payment was to be suspended in case of the expenses of war absorbing the resources from whence it was to be derived. Payments affected by war charges falling upon the Revenues of India, could hardly be connected with the Commercial branch, and, certainly, could in no light be viewed as entirely of that character.

Under the third or miscellaneous head, therefore, comprising Losses, Dead Stock, and Participation of the Public, the Territorial expenditure omitted remains as stated in the

former Observations at - - - - - - - - - -	£. 2,449,307
which added to the two former heads - - - - - - - -	2,332,958
makes an aggregate of omissions in principal amounting to - - -	£. 4,782,265

In connexion with these Charges it is urged, that both sides of the account should be subjected to revision, and receipts that are omitted be introduced as well as charges. There is no difficulty in acceding to this proposition, if the Statements were considered susceptible of complete revision; but that is impracticable, and it was considered sufficient to show, by a few obvious instances, that accuracy of principle had been so little observed with regard to the Indian Charges, that the Tables could not be relied upon, and could not establish what was designed by them. Some receipts from loans, which ought to havebeen included, have it seems been omitted from the Tables. These will be noticed in due course.

The fourth head of omitted charges is Advances on account of the King's Service for the capture and maintenance of Ceylon and the Eastern Islands, &c., 1,661,345 *l.*

It is admitted in the "Explanations," that if this balance be held to belong to the administration of the Government of India, it would be rightly placed among the Indian charges. That it has not hitherto been included among them is clear from its being brought into Appendix No. 51 to the Fourth Report, as an expenditure additional to what is included in the accounts producing "the Surplus Charge," as observed under other heads; as likewise from its introduction among *extraordinary* disbursements in the Third Report not forming part of the ordinary charges (page 365 and Appendixes Nos. 17 & 26.)

How any one who has looked at the accounts of these expenses could, for a moment, suppose them to have been incurred on Commercial account is unintelligible. Besides supplies to the King's navy, they will be found to include advances for expeditions against Manilla, Egypt, Buenos Ayres, the Cape of Good Hope, Java, the Spice Islands, &c. &c. They do not in fact belong to the head of Indian Expenditure, neither the Territorial nor the Commercial, but to a separate account; nevertheless, as having absorbed money borrowed on loan, they constitute one means of accounting for the funds borrowed in India; and in Statements such as those under examination, should be brought in charge accordingly. This amount, added to the sums stated under previous heads, would carry the total of omissions to 6,443,610 *l.*

£. 4,782,265
1,661,345
£. 6,443,610

It is urged in the Explanations, that certain repayments by Government in England upon this account should be credited. The propriety of bringing to account these repayments as a set-off to Home Territorial Charges, has been stated in the Observations. It would occupy more space than could be allotted to it in this place, to exhibit the effect of all such adjustments upon the account, but before this credit could be given, the Home Territorial Charges contained in the Tables must undergo extensive correction.

It was not thought requisite on a former occasion to travel further than through the Indian Charges, but it may be proper now to glance at the Home Charges, the Statement of which, as exhibited in the Tables (A) and (B), cannot fail to attract notice, as their amount in 1808–9, when at nearly the highest standard of the earlier years, was only 550,766 *l.*, while in the next year they are shown to be 1,057,225 *l.* and in subsequent years still higher. So striking a difference might have called forth some doubt as to the accuracy of that part of the Tables. The Statement from which the charges of the earlier years is taken (Appendix No. 46, to Third Report) is incomplete for the purpose to which it has now been applied. It was also framed before the principles of separation of accounts acted upon

* The note is appended to an account of the increase of Dead Stock, and runs thus: "This account *does not comprehend Military Stores*. The value of such stores, stated as Dead Stock, amounted in April 1814 to 1,975,254 *l*, and in April 1827 to 3,614,687 *l.*" Then follows the passage quoted in the text, "*These* stores are composed," &c.

upon in later years were determined, and from causes into which it is not necessary here to enter, it does not contain all the expenditure which must be considered fairly chargeable upon the Revenues. No payment whatever is included for expenses incurred in this country on account of *King's regiments serving in India*, which must ever be a charge upon the Revenues. These expenses amounted in the years 1793 to 1808, to 3,138,526 *l.*; from 1809–10 downwards they are inserted in the Home Charges.

Again, the cost of *political stores* sent to India, beyond what is accounted for in the Indian Charges, has not been included in the earlier years. It is impossible to state with any accuracy the amount that should be charged under this head; but it appears from the account of stores exported, Appendix 35, to Fourth Report, that their value (excluding St. Helena and China) from 1793–4 to 1808–9, was 4,955,072 *l.* by far the greater part of which were doubtless political stores. The amount brought to account in the Indian books is not known, but in the subsequent years to 1822–23 inclusive, not more than two-fifths of the value exported were credited in those books. There remains, therefore, to be further charged to the Territory a very large sum on this account.

Moreover a portion of the Home Charges noticed in Mr. Melvill's evidence before the Commons' Committee, on 7th June 1830, consisting of *off-reckonings* and *stores*, which were not included in the Statements from which the Account, No. 2, of February 1830, was drawn, require also to be added; these amount to the sum of 1,698,982 *l.*

Off-reckonings -	£. 957,755
Stores - -	741,227
	£. 1,698,982

The off-reckonings of the period prior to 1809–10 should also be added. Here, then, abundant additional reasons are furnished why the view taken in the Statements in question cannot be maintained.

Fifthly. The next point to be noticed is the omission of all reference to the increase of the *Cash Balances in the Indian Treasuries* during the period, amounting to 6,251,867 *l.* which must have been furnished from the Revenues or the Loans for which credit is given in the Table (B). It is only requisite to observe, in reply to the remarks on this point, in the "Explanations," that whether the amount be introduced into that Table or not, is of little importance, but it certainly ought to have been adverted to before it was asserted as a consequence deduced from that Statement, that the whole surplus of the resources from Indian Revenue and Loans which remains after charging the amount of expenditure there introduced *, "has been applied to Commercial purposes" and that "the balance supplied by the Territory is not forthcoming;" assertions which the Statements then before the writer were sufficient to show to be without foundation. The part of those resources applied to the augmentation of the cash balances, could not possibly be applied to Commercial purposes.

The additional receipts from loans, which it is stated in the Explanations should be added to the resources of the Territories, are as follows:

Loan in England in 1812 - - - - - - - - -	£. 2,500,000
Interest thereon - - - - - - - - - -	1,307,985
Loan from Nabob of Oude, commuted for Territory - - -	1,109,975
	£. 4,917,960

Upon the principle of the Table (B) there would have been no objection to the insertion of the loan of 1812, as a receipt on Territorial account, but how the interest *paid* on the loan can constitute an additional *receipt* is not explained. All other interest on debt is included in that Table among the *charges*, and the interest upon that particular loan is expressly directed by Act of Parliament to be treated as a *Territorial payment*.

The Oude loan might be admitted as a receipt in India; but against these additional resources is to be set the over-credit taken for the arrears of allowances, &c. noticed at the beginning of these observations, as not constituting an available resource. The balance to be credited to the Territories on this ground, would counteract but to a small extent the large omissions of charge which have been pointed out; besides which those omissions occurring for the most part in the earlier years, and money being annually borrowed to meet them, the consequent increase of interest on the Territorial account must form an immense addition to the first charge, upon the principle adopted in those Tables. The loan in 1812 and that from Oude, have occurred in later years.

One remark in the "Explanations" still requires notice. It is observed, that "it is not surprising that the trade of the Company should appear to flourish under a system which allows the investments for Europe to be furnished from loans in India, not charged to Commerce but to Territorial revenue, while the payments in England for Territorial account are likewise charged to Indian revenue." It cannot be intended to object to the charging of Territorial payments made in England to the account of Indian revenue, and if they are so charged, from what source is the latter to defray the amount. It must be either by means of surplus revenue, or in failure of such surplus, by loan, on Territorial account. Whatever be the channel through which these sums may be remitted to this country, whether it be the commerce of the Company or of the private merchant, the character of the debt incurred is not thereby altered, nor does it become chargeable to the trade of the one any more than to that of the other. The existence of a Territorial deficit is indeed spoken of as an inadmissible assumption; but the exhibition of a Territorial surplus,

* *Vide* Mr. Wilkinson's Letter to Mr. Rickards, 10 May 1831; and "Explanations," dated 21 February 1832.

Appendix, No. 25.

Correspondence, &c. relating to Mr. R. Wilkinson's Statements on the Finances of the East India Company.

surplus, by means of the exclusion of large amounts of Territorial expenditure in charge and in interest, appearing in the documents from which the statement is drawn, seems much more to merit that designation.

Had the views in the Tables been confined to the period in which complete separation of accounts has been effected, and not extended to one in which such separation is impossible, erroneous and confused statements would have been avoided or could have been easily rectified. In the present instance, sufficient has been adduced to show that extensive errors exist in the Statements, enough to produce a result with regard to the relative financial position of the Territory and the Commerce the opposite to the true one; in short, the conclusion arrived at in the former Observations has only been more fully established by this further investigation, viz., that the Statements in question neither establish nor even countenance the assertions which gave birth to them, while they equally fail to support the statements put forward by Mr. Rickards, by whose desire these Tables were prepared. Indeed, not the least attempt is made in the "Explanations" to show that the very different principles and results of the respective views can be reconciled, or can stand together.

Appendix, No. 26.

Statements whereupon the Half-yearly Dividends were declared, from 1 May 1814.

Appendix, No. 26.

COPIES of all STATEMENTS submitted to the COURT of DIRECTORS, whereupon the HALF-YEARLY DIVIDENDS were DECLARED, from 1st May 1814, to the latest Period.

THE RETURNS hereunto annexed, numbered (1 to 17,) and specified in the following List, are Copies of Statements which were annually prepared for the information of the Court of Directors, previously to their taking into consideration the Rate of Dividend to be by them recommended to the Court of Proprietors for Declaration at Midsummer in each year, since 1814; being the only Statements of that description which were prepared in relation to the several Half-yearly Dividends declared since that period.

East India House, 17 April 1832.

Thos. G. Lloyd,
Acct Genl.

LIST.

No.

(1.)—1814-15. Abstract Statement of Profit and Loss upon Company's Goods sold in the March and September Sales 1814; together with other Profits resulting to the Company in England, in the year ending the 30th April 1815; together with the ultimate Surplus liable to the appropriation of the Act of the 53d Geo. 3, c. 155, s. 57 - - - - p. 393

(2.)—1815-16. Ditto - ditto - sold in the March and September Sales 1815 - ditto - ditto - 30th April 1816 - ditto - ditto - - p. 393

(3.)—1816-17. Ditto - ditto - sold in the March and September Sales 1816 - ditto - ditto - 30th April 1817 - ditto - ditto - - p. 394

(4.)—1817-18. Ditto - ditto - sold from 1st May 1817 to 1st May 1818; and other Profits resulting to the Company within that period; together with the ultimate Surplus liable to the appropriation of the Act of the 53d Geo. 3, c. 155, s. 57 - p. 394

(5.)—1818-19. Ditto - ditto - 1st May 1818 to 1st May 1819 - ditto - ditto - p. 395

(6.)—1819-20. Ditto - ditto - sold from 1st May 1819 to 1st May 1820 - ditto - ditto p. 395

(7.)—1820-21. An Account of the Profit or Loss upon all Goods sold by the East India Company in the year 1820-21, distinguishing India and China, and specifying the Invoice Price, and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in Great Britain, after defraying all Charges - - p. 396

(8.)—1821-22. Ditto in the year 1821-22; ditto p. 397

(9.)—1822-23. Ditto in the year 1822-23; ditto p. 398

(10.)—1823-24. Ditto in the year 1823-24; ditto p. 399

(11.)—1824-25. Ditto in the year 1824-25; ditto p. 400

(12.)—1825-26. Ditto - ditto - in the year 1825-26; ditto - ditto - and converting the Prime Cost of the Investment, so far as it consists of repayment of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books, in transactions between the two Branches of their Affairs, viz. 2 s. the current Rupee, 2 s. 3 d. the Bombay Rupee, and 8 s. the Pagoda - p. 401

(13.)—1826-27. Ditto in the year 1826-27; ditto p. 402

(14.)—1827-28. Ditto in the year 1827-28; ditto p. 403

(15.)—1828-29. Ditto in the year 1828-29; ditto p. 404

(16.)—1829-30. Ditto in the year 1829-30; ditto (with a separate Statement.) - - - - p. 405

An Account of Profit and Loss upon all Goods sold by the East India Company in the year 1829 30; distinguishing India and China, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce after defraying all Charges; calculating the Prime Cost of the Investment, so far as it consists of repayment of Advances made by the Commercial Department, at the average Rate of Bills drawn from Calcutta on London, deducting 12 months' Interest for Passage and Sight at an Indian Rate of Interest - - - p. 405

Surplus Commercial Profits of the East India Company, after payment of the Dividends on the Capital Stock, and the Interest upon the Bond Debt, from 1st May 1814 to 1st May 1830, together with the Amount appropriated in the same period, and showing the Balance remaining unappropriated on 1st May 1830; prepared in accordance with the Opinion of the Company's Standing Counsel, as it respects the Home-bond Debt discharged - - p. 406

(17.)—1830-31. An Account of Profit and Loss on all Goods sold by the East India Company in the year 1830-31, distinguishing India and China, and specifying the Invoice Price and the several Charges respectively; also the Sale Amounts, showing likewise the Net Proceeds of the Commerce, after defraying all Charges, and converting the Prime Cost of the Investment, so far as it consists of repayment of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books in transactions between the two Branches of their Affairs, viz. 2 s. the Current Rupee, 8 s. the Pagoda and 2 s. 3 d. the Bombay Rupee (with a separate Statement) - - - - - - p. 408

Ditto - ditto - in the year 1830-31; ditto - ditto - and converting the Prime Cost of the Investment at the Mercantile Rate of Exchange, as ascertained from the Rate at which Bills were drawn from Calcutta on London, deducting 12 months' Interest for Passage and Sight, viz. 1 s. 9,875 d. per Sicca Rupee - - - p. 409

Surplus Commercial Profits of the East India Company, after Payment of the Dividends on the Capital Stock, and the Interest upon the Bond Debt, from 1st May 1814 to 1st May 1831, together with the Amount appropriated in the same period, and showing the Balance remaining unappropriated on 1st May 1831; prepared in accordance with the Opinion of the Company's Standing Counsel, as it respects the Home-bond Debt discharged - - p. 410

(No. 1.)—1814–15.

ABSTRACT STATEMENT of PROFIT and Loss upon Company's Goods sold in the March and September Sales, 1814; together with other Profits resulting to the Company in *England* in the Year ending the 30th April 1815; together with the ultimate Surplus liable to the Appropriation of the Act of the 53 Geo. 3, c. 155, s. 57.

		£.
Profit upon Sales		2,878,470
Deduct, Estimated Commercial Charges of India, not added to the Invoices	£.180,000	
Insurance, 5 *l.* 5 *s.* per cent. on the prime cost of Goods (3,836,401 *l.*)	201,411	
The difference between the original Sale and the produce of sundry Merchandize resold in consequence of the default of the purchasers	62,597	
The difference in the rate at which Bills of Exchange drawn from China were paid, and the rate assumed in the calculation of Profit and Loss	13,260	
Surplus Commercial Charges General, beyond the rate charged in the calculation of Profit and Loss	43,471	
		500,739
		2,377,731
Add, Charges on Private Goods housed by the Company	220,668	
Interest on the Annuities	32,604	
		253,272
TOTAL PROFIT £.		2,631,003
Deduct, One year's Dividend on Stock	630,000	
Interest on the Bond Debt	259,546	
		889,546
£.		1,741,457

Profit on Outward Consignments is not included, the Books from India and China not having been received.

(No. 2.)—1815–16.

ABSTRACT STATEMENT of PROFIT and Loss upon Company's Goods sold in March and September Sales, 1815; together with other Commercial Profits resulting to the Company in *England* in the Year ending the 30th April 1816; together with the ultimate Surplus liable to the Appropriation contained in the Act of the 53 Geo. 3, c. 155, s. 57.

		£.
Profit on India Trade		471,579
Ditto - China ditto		1,245,984
		1,717,563
Deduct, Insurance, 4 per cent. on prime Cost	£. 126,008	
Commercial Charges of India, not added to the Invoices	180,000	
China Embassy	51,904	
Difference in the rate at which Bills of Exchange from China were drawn, and the rate assumed in the calculation of Profit and Loss	22,761	
Surplus Commercial Charges General, beyond the rate charged in the calculation of Profit and Loss	168,812	
		549,485
		1,168,078
Add, Charges on Private Trade, housed by the Company	206,938	
Interest on the Annuities	32,604	
Interest and Discounts on anticipated Payments	99,098	
		338,640
SURPLUS £.		1,506,718
Deduct, One year's Dividend on Stock	630,000	
— Interest on Bonds	235,967	
		865,967
ULTIMATE SURPLUS, after providing for Dividends and Interest on Bonds £.		640,751

(No. 3.)—1816–17.

ABSTRACT STATEMENT of PROFIT and LOSS upon Company's Goods sold in March and September Sales, 1816, and other Profits resulting to the Company in *England* in the Year ending 30th April 1817; together with the ultimate Surplus liable to the Appropriation of the Act of the 53 Geo. 3, c. 155, s. 57.

	£.	£.
Profit on the India Trade	89,357	
Ditto - China Trade	899,592	
		988,949
Deduct, Insurance, 4 per cent. on Cost	110,706	
Difference in the rate at which Bills of Exchange were drawn from China, and the rate assumed in the calculation of Profit and Loss	40,466	
Surplus Commercial Charges General, beyond the rate charged in the calculation of Profit and Loss	189,901	
China Embassy	2,255	
		343,328
		645,621
Add, Charges on Private Goods sold and housed by the Company	210,218	
Interest on Annuities	36,226	
Interest and Dividends on anticipated Payments	44,295	
		290,739
		936,360
Deduct, One year's Dividends	630,000	
— Interest on Bonds	230,536	
		860,536
ULTIMATE SURPLUS - - £.		75,824

The Indian Books and Accounts for the year 1816–17, not being received, no Account can be prepared of the Outward Profit and Loss.

(No. 4.)—1817–18.

ABSTRACT STATEMENT of PROFIT and LOSS upon Company's Goods sold from 1st May 1817 to 1st May 1818, and other Profits resulting to the Company in *England* within that period; together with the ultimate Surplus liable to the Appropriation of the Act of the 53 Geo. 3, c. 155, s. 57.

	£.	£.
Profit on the India Trade	417,602	
Ditto - China Trade	1,279,722	
		1,697,324
Deduct, Insurance, 4 per cent. on Cost	131,506	
Difference in the rate at which Bills of Exchange were drawn from China, and the rate assumed in the calculation of Profit and Loss	6,263	
Surplus Commercial Charges General, beyond the rate charged in the Account of Profit and Loss	75,303	
China Embassy	32,349	
		245,421
		1,451,903
Add, Charges on Private Goods, sold and housed with the Company	187,022	
Interest on the Annuities	36,226	
		223,248
		1,675,151
Deduct, One year's Dividends	630,000	
Interest on the Bond Debt and other Loans	286,226	
		916,226
ULTIMATE SURPLUS - - £.		758,925

(No. 5.)—1818–19.

ABSTRACT STATEMENT of PROFIT and Loss upon Company's Goods sold from 1st May 1818 to the 1st May 1819, and other Profits resulting to the Company in *England* within that period; together with the ultimate Surplus liable to the Appropriations of the Act of the 53 Geo. 3, c. 155, s. 57.

	£.	£.
Profit on the India Trade	398,130	
Ditto - - China ditto	1,381,193	
		1,779,323
Deduct, Actual Losses by Sea, 1818–19	156,368	
Difference in the rate at which Bills of Exchange were drawn from China, and the rate assumed in the calculation of Profit and Loss	17,910	
Surplus Commercial Charges General, beyond the rate charged in the Account of Profit and Loss	61,648	
		235,926
		1,543,397
Add, Charges on Private Trade	170,766	
Interest on the Annuities	36,227	
Interest and Discounts	44,536	
		251,529
		1,794,926
One year's Dividends	630,000	
Interest on Bonds	153,120	
		783,120
ULTIMATE SURPLUS - - £.		1,011,806

(No. 6.)—1819–20.

ABSTRACT STATEMENT of PROFIT and Loss upon Company's Goods sold from 1st May 1819 to 1st May 1820, and other Profits resulting to the Company in *England* within that period; together with the ultimate Surplus liable to the Appropriations of the Act of the 53 Geo. 3, c. 155, s. 57.

	£.	£.
Profit on the India Trade	60,635	
Ditto - - China ditto	1,074,722	
		1,135,357
Add, Charges on Private Trade	116,101	
Interest on the Annuities	36,227	
Interest and Discounts	2,932	
Interest on the Balance from the Territorial Branch at the close of Season 1818–19: suppose balance 1,770,000*l.* (estimated)	106,000	
		261,260
TOTAL PROFITS - - - £.		1,396,617
Deduct, Difference in the rate at which Bills of Exchange were drawn from China, and the rate assumed in the calculation of Profit and Loss, Season 1818–19	4,010	
Surplus Commercial Charges General, beyond the rate charged in the Account of Profit and Loss	158,173	
China Embassy	1,750	
		163,933
		1,232,684
Deduct, Dividends on Stock	630,000	
Interest on Bonds	157,266	
		787,266
SURPLUS remaining - - £.		445,418

(No. 7.)—1820–21.

AN ACCOUNT of the PROFIT or Loss upon all Goods sold by the East India Company in the Year 1820–21, distinguishing *India* and *China* and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain*, after defraying all Charges.

——	Prime Cost of Investment.	Freight.	Charges of Merchandize calculated at 5 per cent. on Sale Amount.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India - - -	1,512,971	149,647	80,563	1,743,181	1,611,260	- - -	131,921
China - - -	1,678,080	471,286	171,473	2,320,839	3,429,458	1,108,619	—
TOTAL - -	3,191,051	620,933	252,036	4,064,020	5,040,718	1,108,619	131,921

	£.		£.		£.
Loss upon India Trade, brought down -	131,921	Profit upon China Trade, brought down			1,108,619
		Deduct,			
		Difference in the rate at which bills were drawn from China, and the rate assumed in the above account of Profit and Loss - -	£.	6,308	
		China Embassy - - -		638	
					6,946
£.	131,921		£.		1,101,673

	£.	£.
Loss upon the India Trade, as above - - - - - - - - -	131,921	
Profit - - China - - ditto - - - - - - - - -	1,101,673	
NET PROFIT on the Trade - - - £.		969,752
Deduct,		
Surplus Commercial Charges beyond 5 per cent., charged as above, on Sales -	174,662	
Customs on Deficiencies - - - - - - - - - - -	6,151	
		180,813
	£.	788,939
Add,		
Charges on Private Trade - - - - - - - - - - -	148,686	
Interest on the Annuities - - - - - - - - - -	36,227	
Interest and Discounts on anticipated payments - - - - - -	165,916	
Interest on the Balance from the Territorial Branch at the close of 1819–20 -	141,000	
Profit on Company's own Ships - - - - - - - - -	49,198	
		541,027
	£.	1,329,966
Deduct,		
Dividends on Stock - - - - - - - - - - - -	630,000	
Interest on Bonds - - - - - - - - - - - -	162,938	
		792,938
SURPLUS - - - £.		537,028

(No. 8.)—1821–22.

AN ACCOUNT of the PROFIT and LOSS upon all Goods sold by the East India Company in the Year 1821–22, distinguishing *India* and *China*; and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain*, after defraying all Charges.

	Prime Cost of the Investment.	Freight.	Charges of Merchandize, calculated at 5 per cent. on Sale Amount	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India - - -	1,417,043	102,740	75,040	1,594,823	1,500,781	- - -	94,042
China - - -	1,734,586	501,718	186,302	2,422,606	3,726,050	1,303,444	—
TOTAL - - £.	3,151,629	604,458	261,342	4,017,429	5,226,831	1,303,444	94,042

	£.		£.		£.
Lost upon the India Trade, brought down - - - - - - -	94,042	Profit upon the China Trade, brought down - - - - - - -			1,303,444
Add, Losses at Sea - - - -	6,100	Deduct,			
		Difference in the rate at which bills were drawn from China, and the rate assumed in the above Account - -	£. 3,603		
		Losses at Sea - - -	17,489		
					21,092
£.	100,142			£.	1,282,352

	£.	£.
Loss on the India Trade - - - - - - - - - - - - -	100,142	
Profit on the China Trade - - - - - - - - - - - -	1,282,352	
NET PROFIT on the Trade - - - £.		1,182,210
Deduct,		
Surplus Commercial Charges beyond 5 per cent., charged as above, on Sales - - -		130,297
	£.	1,051,913
Add,	£.	
Charges on Private Trade - - - - - - - - - - - -	177,680	
Interest on the Annuities - - - - - - - - - - - -	36,226	
Interest and discounts on anticipated payments - - - - - - -	109,834	
Interest on the Balance due from the Territorial Branch to the Commercial at the close of 1820–21 - - - - - - - - - - - - -	145,000	
Profit on the Company's own Ships - - - - - - - - -	21,044	
		489,784
	£.	1,541,697
Deduct,		
Dividends on Stock - - - - - - - - - - - - -	630,000	
Interest on Bonds - - - - - - - - - - - - - -	155,161	
		785,161
SURPLUS - - - £.		756,536

(No. 9.)—1822-23.

AN ACCOUNT of the PROFIT and LOSS on all Goods sold by the East India Company in the Year 1822-23, distinguishing *India* and *China*; and specifying the Invoice Price, and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain*, after defraying all Charges

	Prime Cost of Investment.	Freight.	Charges of Merchandize calculated at 5 per cent. on Sale Amount of Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India - - -	1,784,421	156,578	94,964	2,035,963	1,899,279	- - -	136,684
China - - -	1,818,760	543,994	186,111	2,548,865	3,722,230	1,173,365	—
TOTAL - - £.	3,603,181	700,572	281,075	4,584,828	5,621,509	1,173,365	136,684

	£.	£.		£.	£.
Loss on the India Trade, brought down		136,684	Profit on the China Trade, brought down - - - - - -		1,173,365
			Deduct,		
			Difference in the rate at which Bills from China, drawn in the Season 1821-22, were paid, and the rate of 6 *s.* 8 *d.* the tale assumed in the above Account - - £.	3,095	
			Losses at Sea (Regent) -	123,467	
			Loss by the Fire at Canton	362,878	
					489,440
	£.	136,684	Profit on the China Trade - - £.		683,925

	£.	£.
Loss on the India Trade - - - - - - - - - - - -	136,684	
Profit on the China Trade - - - - - - - - - - -	683,925	
NET PROFIT on the Trade - - - £.		547,241
Deduct,	£.	
Surplus Commercial Charges beyond 5 per cent. charged as above on Goods -	94,589	
Customs on Deficiencies - - - - - - - - - - -	2,541	
		97,130
		450,111
Add,		
Charges on Private Trade - - - - - - - - - - -	160,347	
Interest on the Annuities - - - - - - - - - - -	36,227	
Dividends on Stock in the Public Funds, in the Company's name - - -	57,042	
Interest and Discounts on anticipated payments - - - - - - -	18,771	
Profit on the Company's own Ships, including Insurance - - - - -	28,742	
Interest on the Balance due from the Territorial to the Commercial Branch, at the close of the Season 1821-22 (estimated) - - - - - - -	148,000	
		449,129
	£.	899,240
Deduct,		
Dividends on Stock - - - - - - - - - - - - -	630,000	
Interest on Bonds - - - - - - - - - - - - -	160,844	
		790,844
ULTIMATE SURPLUS - - - £.		108,396

(No. 10.)—1823–24.

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the East India Company, in the Year 1823–24, distinguishing *India* and *China*, and specifying the Invoice Price, and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain*, after defraying all Charges.

—	Prime Cost of Investment.	Freight.	Charges of Merchandize calculated at 5 per cent. on Sale Amount of Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade - -	1,410,642	213,344	82,452	1,706,438	1,649,047	- -	57,391
China Trade - -	1,856,711	525,277	188,679	2,570,667	3,773,586	1,202,919	—
TOTAL - - £.	3,267,353	738,621	271,131	4,277,105	5,422,633	1,202,919	57,391

	£.		£.
Loss upon the India Trade, brought down - - - - - - -	57,391	Profit on the China Trade, brought down - - - - - -	1,202,919
Add,		Add,	
Difference in the rates at which the prime cost of the Indian Trade in the above Account, is converted into sterling, founded upon the average rate of exchange of the Season 1822–23, namely, 1 *s.* 11 *d.* per sicca rupee, and the rates fixed by the Board of Commissioners for such conversion, namely, 2 *s.* the current rupee, 8 *s.* the pagoda, and 2 *s.* 3 *d.* the Bombay rupee - - - -	303,775	Difference in the rate at which Certificates drawn from China in Season 1822–23, were paid in England, and the rate of 6 *s.* 8 *d.*, the tale assumed in the above Account being less than the rate of 6 *s.* 8 *d.* - -	713
£.	361,166	£.	1,203,632

	£	£.
Loss on the India Trade - - - - - - - - - - - - -	361,166	
Profit on the China Trade - - - - - - - - - - -	1,203,632	
NET PROFIT on the Trade - - - £.		842,466
Deduct,	£.	
Surplus Commercial Charges beyond 5 per cent. charged as above, on Sales -	84,522	
Customs on Deficiencies - - - - - - - - - - - -	11,707	
		96,229
	£.	746,237
Add,		
Charges on Private Trade - - - - - - - - - - -	£. 146,587	
Interest on the Annuities - - - - - - - - - - - -	36,227	
Dividends on Stock in the Public Funds in the Company's name - - -	56,519	
Interest and Discount on anticipated payments - - - - - -	43,811	
Profit to the Company's own Ships, including Insurance - - - - -	46,925	
Interest on the Balance due from the Territorial to the Commercial Branch, at the close of Season 1822–23 (estimated) - - - - - - - -	71,525	
		401,594
	£.	1,147,831
Deduct,		
Dividends on Stock - - - - - - - - - - - -	£. 630,000	
Interest on Bonds - - - - - - - - - - - - -	140,140	
		770,140
ULTIMATE SURPLUS - - - £.		377,691

(No. 11.)—1824–25.

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the East India Company in the Year 1824–25, distinguishing *India* and *China*, and specifying the Invoice Price, and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain*, after defraying all Charges.

—	Prime Cost of Investment.	Freight.	Charges of Merchandize calculated at 5 per cent. on Sale Amount of Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade - -	1,233,176	109,085	81,623	1,423,884	1,632,443	208,559	—
China Trade - -	1,956,433	532,681	194,054	2,683,168	3,881,090	1,197,922	—
TOTAL - - £.	3,189,609	641,766	275,677	4,107,052	5,513,533	1,406,481	—

	£.	£.
Profit on the India Trade, brought down - - - - - - -		208,559
Deduct, Losses at Sea (Fame and Mary) - - - - - -		22,389
£.		186,170

	£.	£.
Profit on the China Trade, brought down - - - - - - -		1,197,922
Add, Difference in the rate at which Bills and Certificates drawn from China in Season 1823–24 were paid, and the rate of 6*s.* 8*d.*, the tale assumed in the Account of Profit and Loss being less than 6*s.* 8*d.* - - -		4,847
	£.	1,202,769
Deduct, Losses at Sea (Kent) -		5,293
£.		1,197,476

		£.
Profit on the India Trade, brought down - - - - - - - - -	£. 186,170	
Ditto - - China Trade, ditto - - - - - - - - -	1,197,476	
TOTAL PROFIT on the Trade - - -		1,383,646
Charges on Private Trade - - - - - - - - - - -	152,759	
Interest on the Annuities - - - - - - - - - - -	36,227	
Dividends on Stock standing in the Company's name - - - - - -	56,519	
Interest and Discounts on anticipated Payments - - - - - -	25,545	
Profit on the Company's own Ships - - - - - - - - -	29,024	
Interest on the Balance due from the Territorial to the Commercial Branch, at the close of Season 1823–24, estimated Balance 3,640,000 *l.* at 3 ½ per cent. - -	127,400	
		427,474
Deduct,	£.	1,811,120
Surplus Commercial Charges beyond 5 per cent. charged as above on Sales -	121,579	
Customs on Deficiencies - - - - - - - - - - - - -	1,304	
Difference in the rates at which the Prime Cost of the Indian Trade in the above Account is converted into sterling, formed upon the average rate of exchange of Season 1823–24, viz, 1*s.* 11*d.* per sicca rupee; and the rates fixed by the Board of Commissioners for such conversion, viz, 2*s.* the current rupee, 8*s.* the pagoda, and 2*s.* 3*d.* the Bombay rupee - - - - - - - -	255,007	
Interest on the Loan of 1,500,000 *l.* borrowed from the Bank at 3 ½ per cent. per annum - - - - - - - - - - - - - -	52,644	
		430,534
Fund, whereout the Dividends and Interest on Bonds are to be paid - - -		1,380,586
Deduct,		
Dividends on Stock - - - - - - - - - - - - - -	630,000	
Interest on Bonds - - - - - - - - - - - - - -	135,533	
		765,533
ULTIMATE SURPLUS - - - £.		615,053

(No. 12.)—1825–26.

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the East India Company in the Year 1825–26, distinguishing *India* and *China*, specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain*, after defraying all Charges, and converting the Prime Cost of the Investment, so far as it consists of Repayment of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books, in transactions between the two Branches of their Affairs, namely, 2*s.* the Current Rupee, 2*s.* 3*d.* the Bombay Rupee, and 8*s.* the Pagoda.

—	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize calculated at 5 per cent. on the Sale Amount.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade - -	1,541,462	130,845	80,024	1,752,331	1,600,490	- - -	* 151,841
China Trade - -	2,020,651	518,883	192,882	2,732,416	3,857,648	1,125,232	—
TOTAL - - £.	3,562,113	649,728	272,906	4,484,747	5,458,138	1,125,232	151,841

	£.		£.
Loss on the India Trade, brought down -	151,841	Profit on the China Trade, brought down - - - - - -	1,125,232
		Add,	
		Difference in the rate at which Bills and Certificates drawn from China in Season 1824–25 were paid, and the rate of 6*s.* 8*d.*, the tale assumed in the above Account being less than 6*s.* 8*d.* - - - -	8,836
			1,134,068
		Deduct,	
		Losses, Cost of Teas on board the Royal George, burnt at Whampoa -	39,838
		£.	1,094,230

* *Mem.*—Upon converting the Prime Cost of the Indian Investment into sterling money, at rates founded upon the average mercantile rate of exchange of the year 1824–25, namely, 1*s.* 11¼*d.* per sicca rupee, a difference is apparent amounting to the sum of 252,767 *l.*, and the result of the Indian Trade instead of a loss of 151,841 *l.* as above, exhibits a Profit of 100,926 *l.*

	£.	£.	£.
Loss on the India Trade, brought down - - - - - -	151,841		
Profit on the China Trade, ditto - - - - - - - -	1,094,230		
NET PROFIT on the Trade - - -		942,389	
Add,			
Charges on Private Trade, warehoused and sold by the Company - - -		138,452	
Customs on Deficiencies, Company's and Private Trade Goods, more received than paid - - - - - - - - - - - - - -		2,775	
Interest on the Annuities - - - - - - - - - -		36,227	
Dividends on Stock standing in the Company's name - - - - -		56,519	
Interest and Discounts on anticipated payments - - - - - -		21,708	
Profit on the Company's own Ships - - - - - - - -		41,386	
Interest on the Balance due from the Territorial to the Commercial Branch, at the close of Season 1824–25, estimated Balance 3,847,141 *l.* at 3 per cent. -		115,414	
			1,354,870
Deduct,			
Surplus Commercial Charges beyond 5 per cent. charged as above, on Sales -		140,335	
Interest on the Loan of 1,500,000 *l.* borrowed from the Bank, at 3½ per cent. per annum, One Year's Interest on 500,000 *l.* - - - - - - -		17,500	
Interest on Bonds - - - - - - - - - - - -		111,739	
			269,574
Fund whereout the Dividends on Stock are to be paid - - - - - -			1,085,296
Dividends on Stock - - - - - - - - - - - -			630,000
ULTIMATE SURPLUS - - - £.			455,296

(No. 13.)—1826-27.

AN ACCOUNT of PROFIT and Loss on all Goods sold by the East India Company in the Year 1826-27, distinguishing *India* and *China*, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain* after defraying all Charges, and converting the Prime Cost of the Investment, so far as it consists of Repayment of Advances by the Commercial Department, at the Rate of Exchange used in the Company's Books, in transactions between the two Branches of their Affairs, viz. 2 *s.* the Current Rupee, 8 *s.* the Pagoda, and 2 *s.* 3 *d.* the Bombay Rupee.

—	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize, calculated at 5 per cent. on the Sale Amount.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade - -	1,889,378	164,965	87,340	2,141,683	1,746,810	- - -	* 394,873
China Trade - -	1,859,804	496,302	175,664	2,531,770	3,513,296	981,526	—
TOTAL - - £.	3,749,182	661,267	263,004	4,673,453	5,260,106	981,526	394,873

	£.
Loss on the India Trade, brought down -	394,873
Add Losses:	
Consignment of Sugar, per Stanmore, burnt	1,928
£.	396,801

* *Mem.*—Upon converting the Prime Cost of the Indian Investment into sterling money, at rates founded upon the average mercantile rate of exchange of the year 1825-26, viz. 2 *s.* 0 ½ *d.* per sicca rupee, a difference is apparent amounting to 230,188 *l.*, reducing the loss upon the Indian Trade to the sum of 164,685 *l.*

	£.
Profit on the China Trade, brought down	981,526
Add,	
Difference in the rate at which Bills and Certificates, drawn from China in Season 1825-26, were paid, and the rate of 6 *s.* 8 *d.*, the tale assumed in the above Account being less than 6 *s.* 8 *d.* - - - -	3,300
	984,826
Deduct Losses,	
Teas short delivered, per Marquis of Hastings - - - - -	1,180
£.	983,646

	£.	£.
Loss on the India Trade, brought down - - - - - - - - - -	396,801	
Profit on the China Trade, ditto - - - - - - - - - - -	983,646	
NET PROFIT on the Trade - - - £.		586,845
Add,	£.	
Charges on Private Trade warehoused and sold by the Company - - - - -	128,851	
Customs on Deficiencies, Company's and Private Trade Goods, more received than paid - - - - - - - - - - - - - - -	864	
Interest on the Annuities - - - - - - - - - - -	36,227	
Dividends on Stock standing in the Company's name - - - - - -	56,519	
Interest and Discounts on anticipated payments - - - - - - -	14,807	
Profit on the Company's own Ships - - - - - - - - -	26,921	
Interest on the Balance due from the Territorial to the Commercial Branch at the close of Season 1825-26 (estimated) - - - - £. 177,547		
Ditto adjustment of Interest, short charged in former years - - - 32,249		
	209,796	
		473,985
	£.	1,060,830
Deduct,	£.	
Surplus Commercial Charges beyond 5 per cent. charged as above on Sales - -	156,104	
Interest on Bonds - - - - - - - - - - - - -	159,333	
		315,437
Fund whereout the Dividends are to be paid - - - - - - - -		745,393
Dividends on Stock - - - - - - - - - - - -		630,000
ULTIMATE SURPLUS - - - £.		115,393

(No. 14.)—1827–28.

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the East India Company in the Year 1827–28, distinguishing *India* and *China*, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain* after defraying all Charges, and converting the Prime Cost of the Investment, so far as it consists of Repayment of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books, in transactions between the two Branches of their Affairs, viz. 2*s.* the Current Rupee, 8*s.* the Pagoda, and 2*s.* 3*d.* the Bombay Rupee.

—	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize, calculated at 5 per cent. on the Sale Amount of the Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade - -	1,981,741	133,199	92,435	2,207,375	1,848,721	- - -	*358,654
China Trade - -	1,747,545	504,505	162,591	2,414,641	3,251,801	837,160	—
TOTAL - £.	3,729,286	637,704	255,026	4,622,016	5,100,522	837,160	358,654

	£.
Loss on the India Trade, brought down	358,654
Add, Losses at Sea, Accidents to the Thalia and Robarts, bringing home cargoes of Sugar -	583
£.	359,237

* *Mem.*—Upon converting the Prime Cost of the Indian Investment into sterling money, at the rates founded upon the average mercantile rate of exchange for the year 1826–27, viz. 1*s.* 11 ¾ *d.* per sicca rupee, a difference is apparent, amounting to 296,732 *l.*, reducing the loss upon the India Trade to 61,922 *l.*

	£.
Profit upon the China trade, brought down - - - - - -	837,160
Add, Difference in the rate at which bills and Certificates drawn from China in Season 1826–27 were paid, and the rate of 6*s.* 8*d.*, the tale assumed in the above Account being less than 6*s.* 8*d.* - - - - -	69,435
£.	906,595

	£.	£.
Loss upon the India Trade - - - - - - - - - - -	359,237	
Profit upon the China Trade - - - - - - - - - - -	906,595	
NET PROFIT on the Trade - - - £.		547,358
Add,	£.	
Charges on Private Trade, warehoused and sold by the Company - - -	140,150	
Interest on the Annuities - - - - - - - - - - -	36,227	
Dividends on Stock standing in the Company's name - - - - -	47,519	
Profit on the Company's own Ships - - - - - - - - - -	56,336	
Profit on Teas sold by the Company's Agents in the North American Colonies -	28,020	
Profit on sale of Stock standing in the Company's name - - - - - -	168,462	
Interest on the Balance due from the Territorial to the Commercial Branch at the close of Season 1826–27 (estimated) - - - - - - - - -	185,481	
		662,195
	£.	1,209,553
Deduct,	£.	
Surplus Commercial Charges beyond 5 per cent., charged as above, on Sales -	181,908	
Interest on Bonds - - - - - - - - - - - - - -	153,441	
Interest on other Loans and Accounts Current - - - - - - - -	4,554	
		339,903
Fund whereout the Dividends are to be paid - - - - - - - -		869,650
Dividends on Stock - - - - - - - - - - - - -		630,000
ULTIMATE SURPLUS - - - £.		239,650

(No. 15.)—1828–29.

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the East India Company in the Year 1828–29, distinguishing *India* and *China*, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce in *Great Britain*, after defraying all Charges; and converting the Prime Cost of the Investment, so far as it consists of Repayment of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books, in transactions between the two Branches of their Affairs, viz. 2*s.* the Current Rupee, 8*s.* the Pagoda, and 2*s.* 3*d.* the Bombay Rupee.

—	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize, calculated at 5 per cent. on the Sale Amount of the Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade - -	2,188,447	117,441	96,312	2,402,200	1,926,243	- - -	*475,957
China Trade - -	1,804,151	508,827	164,536	2,477,514	3,290,748	813,234	—
TOTAL - £.	3,992,598	626,268	260,848	4,879,714	5,216,991	813,234	475,957

	£.		£.
Loss upon the India Trade, brought down	475,957	Profit on the China Trade, brought down - - - - - -	813,234
Add,		Add,	
Salvage of the Mermaid - - -	20	Difference in the rate at which Bills and Certificates drawn from China in Season 1827–28 were paid, and the rate of 6*s.* 8*d.* per tale, as assumed in the above Account, being less than 6*s.* 8*d.* - - - - - -	17,265
£.	475,977		
		Deduct, £.	830,499
		Salvage of the Alfred bringing home Teas	261
		£.	830,238

* *Mem.*—Upon converting the Prime Cost of the Indian Investment into sterling money, at rates founded upon the average mercantile rate of exchange for the year 1827–28, viz. 1*s.* 11 ¼ *d.* per sicca rupee, a difference is apparent, amounting to 367,085 *l.*, reducing the loss upon the India Trade to 108,872 *l.*

	£.	£.
Loss upon the India Trade, brought down - - - - - - - - -	475,977	
Profit upon the China Trade, ditto - - - - - - - - - -	830,238	
NET PROFIT on the Trade - - - £.		354,261
Add,	£.	
Charges on Private Trade, warehoused and sold by the Company - - - -	122,152	
Customs on Private Trade, &c. (deficiencies) more received than paid in the year -	1,474	
Interest on the Annuities - - - - - - - - - - - -	36,227	
Dividends on Stock standing in the Company's name - - - - - -	26,544	
Profit on the Company's own Ships - - - - - - - - - -	32,647	
Profit on Teas sold by the Company's Agents in the North American Colonies -	17,743	
Interests and Discounts on anticipated payments (including) an adjustment for former years, in respect to the Interest charged in the Territorial Invoices outward -	238,753	
Interest on the Balance due from the Territorial to the Commercial Branch, at the close of Season 1827–28 (estimated) - - - - - - - - -	197,785	
		673,325
	£.	1,027,586
Deduct,	£.	
Surplus Commercial Charges beyond 5 per cent. charged as above, on Sales - -	176,567	
Interest on Bonds - - - - - - - - - - - - - - -	158,124	
		334,691
Fund whereout the Dividends are to be paid - - - - - - - - £.		692,895
Dividends on Stock - - - - - - - - - - - - -		630,000
ULTIMATE SURPLUS - - - £.		62,895

Mem.—Had the Prime Cost of the India Investment been converted into sterling, at the mercantile rates of exchange, the ultimate Surplus of the year would have amounted to - - £. 429,980

(No. 16.)—1829-30.

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the East India Company in the Year 1829-30, distinguishing *India* and *China*, and specifying the Invoice Price, and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce, after defraying all Charges; and converting the Prime Cost of the Investment, so far as it consists of Repayment of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books, in transactions between the two Branches of their Affairs, viz. 2 *s.* the Current Rupee, 8 *s.* the Pagoda, and 2 *s.* 3 *d.* the Bombay Rupee.—[See *ante*, p. 358.]

AN ACCOUNT of PROFIT and LOSS upon all Goods sold by the East India Company in the Year 1829-30, distinguishing *India* and *China*, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce, after defraying all Charges; calculating the Prime Cost of the Investment, so far as it consists of Repayment of Advances made by the Commercial Department, at the average Rate of Bills drawn from *Calcutta* on *London*, deducting 12 Months' Interest for Passage and Sight at an Indian Rate of Interest.

	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize calculated at 5 per cent. on the Sale Amount of the Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade -	1,171,802	103,050	57,592	1,332,444	1,151,856	- - -	180,588
China Trade -	1,495,034	477,142	151,874	2,124,050	3,037,483	913,433	—
TOTAL -	2,666,836	580,192	209,466	3,456,494	4,189,339	913,433	180,588

		£.		£.
Loss upon the India Trade, brought down -		180,588	Profit on the China Trade, brought down -	913,433
Profit or Loss upon Exports from England to India -	Statements from India, 1829-30 not yet received.	—	Deduct, Supracargoes' commission on Homeward Trade - - - - - -	44,766
Charges in India, not added to Invoices, also Profit or Loss from Interest and Exchange and Loss by Bad Debts - - -	Ditto - ditto -	—	Charges in China, of the previous year, not added to the Invoices - - -	—
			Losses at Sea, including Jettisons, Salvages, &c. (no Loss as far as can be ascertained)	—
Losses at Sea, including Jettisons, Salvages and other Losses - - - -	No Loss as far as information has been received -	—	*Mem.*—Profit or Loss on the Outward Trade to China is comprehended in the rate of the tale.	
Net Loss on the India Trade Outward and Homeward, as far as can be ascertained	£.	180,588	Net Profit on the China trade, as far as can be ascertained - - -	£. 868,667

		£.
Net Profit on the China Trade - - - - - - - - - - - - - -	£. 868,667	
Net Loss on the India Trade - - - - - - - - - - - - - -	180,588	
TOTAL PROFIT on Sales (India and China Trade) - - -		688,079
Other Profits of the Company:		
Interest on the Annuities - - - - - - - - - - - - - -	£. 36,227	
Ditto on Balance of Advances between the Territorial and Commercial Branches, as estimated, end of 1828-29, at rate of Home-bond Debt - - - - - - - - - -	121,729	
Ditto received, charged or paid under other heads - - - - - - - - -	55,749	
Surplus of Sums charged upon Private Trade Goods beyond amount of Commercial Charges General in England, not debited to the Company's own Trade - - - - - - -	2,561	
Profit on the Company's own Ships - - - - - - - - - - -	24,170	
Estimated Profit at the Colonies of the Cape and North America - - - - - -	23,466	
		263,902
Total Commercial Profits of the Company, as far as can be ascertained - - -		951,981
Dividends to the Proprietors of Stock - - - - - - - - - - -		630,000
SURPLUS, after payment of Dividends - - -		321,981
Deduct Interest on Bonds provisionally charged to the Commercial Account - - -		114,973
	£.	207,008

No. 16 of Appendix No. 26—*continued.*

SURPLUS COMMERCIAL PROFITS of the EAST INDIA COMPANY, after Payment of the Dividends on the Capital Stock, and the Interest upon the Bond Debt, from the 1st May 1814 to the 1st May 1830; together with the Amount appropriated in the same period, and showing the Balance remaining unappropriated on 1st May 1830; prepared in accordance with the Opinion of the Company's Standing Counsel, as it respects the Home-bond Debt discharged.

		£
Surplus Commercial Profits as adjusted, in	1814–15	1,267,658
	1815–16	477,643
	1816–17	413,786
	1817–18	1,008,675
	1818–19	1,287,170
	1819–20	243,553
	1820–21	522,855
	1821–22	959,058
	1822–23 (from 1 May to 1 May in each Year)	229,579
	1823–24	329,151
	1824–25	720,097
	1825–26	342,448
	1826–27	132,274
	1827–28	134,447
	1828–29	22,261
	£.	8,090,655
	1829–30	3,596
	£.	8,094,251

APPROPRIATED AS UNDER, *viz.*

—	Home-bond Debt.	India Debt.	Consignment of Bullion to India, in aid of Sinking Fund.	Sum directed by the Financial Letter to Bengal, of June 1821, to be advanced to the Sinking Fund.	TOTAL.	
	£.	£.	£.	£.	£.	
1814–15	196,200	329,704	-	-	525,904	
1815–16	136,300	318,382	-	-	454,682	
1816–17	-	477	-	-	477	
1817–18	12	200	-	-	212	
1818–19	-	98	1,000,537	-	1,000,635	
1819–20	-	-	166,302	-	166,302	
1820–21	-	6,285	-	-	6,285	
1821–22	-	10,576	-	1,500,000	1,510,576	
1822–23	1,100	25,500	-	-	26,600	
1823–24	75	1,396,842	-	-	1,396,917	
1824–25	—	—	—	—	—	
1825–26	712	-	-	-	712	
1826–27	-	3,950	-	-	3,950	
1827–28	-	82,103	-	-	82,103	
1828–29	-	82,065	-	-	82,065	
1829–30	-	75,778	-	-	75,778	
£.	334,399	2,331,960	1,166,839	1,500,000	-	5,333,198

Balance of Surplus Commercial Profits remaining unappropriated on 1st May 1830, including the sum of 1,657,807 *l.*, Interest on the Balances due from the Territorial to the Commercial Branch	£.	2,761,053
Balance remaining unappropriated on 1st May 1830, exclusive of Interest, as above	£.	1,103,246

No. 16 of Appendix No. 26—*continued.*

STATEMENT of the ADJUSTMENT to be made in the PROFIT and LOSS ACCOUNTS of 1829–30, with reference to the Out-turn of that portion of the India Investment which may be deemed to have been provided under the Arrangement, with regard to Interest Bills, laid down in the Plan of 1814, for keeping the Company's Home Accounts. (Suggestion 5, as altered and amended by the Board) *see* Section 55 & 56 of the Act of 1813.

[See *ante*, p. 355 to 362.]

(A.)

EXTRACT from the Plan for arranging the Company's Home Accounts, framed in the Year 1814 (relative to the Remittances for Discharge of Bills of Exchange for Interest of India Debt.)

[See *ante*, p. 357.]

(B.)

ABSTRACT ACCOUNT between the TERRITORIAL and COMMERCIAL BRANCHES of the Company's Affairs from 1814–15 to 1828–29, in respect to Territorial and Political Payments in *England*, separately from the Transactions which relate to the Remittance of India Debt.

[See *ante*, p. 359, 360, 361.]

(C.)

STATEMENT to show the Rates at which BILLS of EXCHANGE drawn for Interest of INDIAN DEBT, and on other Accounts comprised in the Remittance Branch of the Accounts between the TERRITORIAL and COMMERCIAL DEPARTMENTS, have been discharged in *England* since 1814, and the Average Rate of those which remained unprovided for by Remittances, otherwise than through the Company's Commerce, at the end of 1827–28 and 1828–29, respectively.

[See *ante*, p. 362.]

(No. 17.)—1830–31.

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the East India Company in the Year 1830–31, distinguishing *India* and *China*, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce after defraying all Charges, and converting the Prime Cost of the Investment, so far as it consists of Repayment of Advances by the Commercial Department, at the Rates of Exchange used in the Company's Books, in transactions between the two Branches of their Affairs, viz. 2 *s.* the Current Rupee, 8 *s.* the Pagoda, and 2 *s.* 3 *d.* the Bombay Rupee.

	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize, calculated at 5 per cent. on the Sale Amount of the Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade - -	1,945,779	121,521	84,329	2,151,629	1,686,587	- -	465,042
China Trade - -	1,765,598	517,856	161,399	2,444,853	3,227,987	783,134	—
TOTAL - - £.	3,711,377	639,377	245,728	4,596,482	4,914,574	783,134	465,042

		£.
Loss upon the India Trade, brought down -		465,042
Charges in India not added to Invoices, also Profit or Loss from interest and exchange, and loss by bad debts - -	As far as ascertained.	1,980
Losses at Sea, including Jettisons, Salvages, and other Losses - - - -	No Loss at sea, as far as information has been received.	—
	£.	467,022
Deduct,		
Amount of Loss from which the Commercial Department is entitled to be relieved, in respect to investment from India, provided as a remittance to meet bills of exchange drawn for interest of India Debt, under the arrangements contained in the Plan of 1814, for keeping the home accounts - (Per separate Statement.)		171,145
Net Loss on the India Trade, as far as can be ascertained - - - -	£.	295,877

		£.
Profit on the China Trade, brought down -		783,134
Deduct,		
Supracargoes' commission on Homeward Trade - - - - - -		46,514
Charges in China of the previous year, not added to Invoices - - - -		—
Losses at Sea, including Jettisons, Salvages, &c. (no Loss, as far as ascertained) -		—
Mem.—Profit or Loss on the Outward Trade to China is comprehended in the rate of 6 *s.* 8 *d.* the tale.		
Net Profit on the China Trade, as far as can be ascertained - - -	£.	736,620

		£.
Net Profit on Sales of Merchandize, China Trade, after replacing Cost and Charges of the investment, and covering Losses at Sea, &c., brought down - - - - - - -	£. 736,620	
Net Loss - - - ditto - - - India Trade - - - ditto - - - - - -	295,877	
NET PROFIT on Sales (India and China Trade) - - -		440,743
Other Profits of the Company:		
Interest on the Annuities - - - - - - - - - - - - - - -	£. 36,227	
Ditto on Balance of Advances between the Territorial and Commercial Branches, as estimated, end of 1829–30, at rate of Home-bond Debt, including an adjustment in respect to former years - - - - - - - - - - - - - - - -	190,983	
Ditto received, charged or paid under other heads - - - - - - - - - -	35,505	
Surplus of sums charged upon Private Trade Goods, beyond amount of Commercial Charges General in England, not debited to the Company's own Trade - - - - - -	22,302	
Profit on the Company's own Ships - - - - - - - - - - - -	16,793	
Estimated Profit at the Colonies of the Cape and North America - - - - - -	22,126	
		323,936
Total Commercial Profits of the Company (as far as can be ascertained) - - - £.		764,679
Dividends to the Proprietors of Stock - - - - - - - - - - -		630,000
SURPLUS, after payment of the Dividends - - - £.		134,679
Deduct Interest on Bonds provisionally charged to the Commercial Account - - -		93,363
ULTIMATE SURPLUS - - - £.		41,316

Mem.—Upon converting the Indian currencies into sterling at the mercantile rate, as ascertained from the rate at which bills were drawn from Calcutta on London, deducting 12 months' interest for passage and sight, an ultimate surplus would remain, after providing for the dividends on stock, and interest on the home-bond debt of £. 595,241.

No. 17 of Appendix No. 26—*continued.*

AN ACCOUNT of PROFIT and LOSS on all Goods sold by the East India Company in the Year 1830–31, distinguishing *India* and *China*, and specifying the Invoice Price and the several Charges respectively; also the Sale Amount; showing likewise the Net Proceeds of the Commerce, after defraying all Charges, and converting the Prime Cost of the Investment at the Mercantile Rate of Exchange, as ascertained from the Rate at which Bills were drawn from *Calcutta* on *London*, deducting 12 Months' Interest for Passage and Sight; viz. 1*s.* 9.875*d.* per Sicca Rupee.

	Prime Cost of the Investment.	Freight and Demorage.	Charges of Merchandize, calculated at 5 per cent. on the Sale Amount of the Goods.	Total Cost and Charges.	Sale Amount.	PROFIT.	LOSS.
	£.	£.	£.	£.	£.	£.	£.
India Trade - -	1,524,326	121,521	84,329	1,730,176	1,686,587	- -	43,589
China Trade - -	1,477,206	517,856	161,399	2,156,461	3,227,987	1,071,526	—
TOTAL - - £.	3,001,532	639,377	245,728	3,886,637	4,914,574	1,071,526	43,589

	£.		£.
Loss upon the India Trade, brought down	43,589	Profit on the China Trade, brought down	1,071,526
Charges in India not added to Invoices, also Profit or Loss from interest and exchange, and Loss by bad debts (as far as can be ascertained) - -	1,980	Deduct, Supracargoes' commission on Homeward Trade - - - - -	46,514
		Charges in China, of the previous year, not added to the Invoices - -	—
Losses at Sea, including Jettisons, Salvages and other Losses (no Loss at sea, as far as information has been received) - - - - - -	—	Losses at Sea, including Jettisons, Salvages, &c. (no Loss, as far as ascertained) - - - -	—
		Mem.—Profit or Loss on the Outward Trade to China is comprehended in the rate of the tale.	
Net Loss on the India Trade, as far as can be ascertained - - £.	45,569	Net Profit on the China Trade, as far as can be ascertained - £.	1,025,012

		£.
Net Profit on Sales of Merchandize, China Trade, after replacing Cost and Charges of the Investment, and covering Losses by Sea, &c. brought down - - £.	1,025,012	
Net Loss - - - ditto - - - India Trade - - - - ditto - - - -	45,569	
NET PROFIT on Sales (India and China Trade) - - - -		979,443
Other Profits of the Company:		
Interest on the Annuities - - - - - - - - - - - - £.	36,227	
Ditto on Balance of Advances between the Territorial and Commercial Branches, as estimated, end of 1829–30, at rate of Home-bond Debt, including an adjustment in respect to former years - - - - - - - - - -	190,983	
Ditto received, charged or paid under other heads - - - - - -	35,505	
Surplus of Sums charged upon Private Trade Goods beyond amount of Commercial Charges General in England, not debited to the Company's own Trade - -	22,302	
Profit on the Company's own Ships - - - - - - - - -	16,793	
Estimated Profit at the Colonies of the Cape and North America - - -	37,351	
		339,161
Total Commercial Profits of the Company (as far as can be ascertained) - £.		1,318,604
Dividends to the Proprietors of Stock - - - - - - - - -		630,000
SURPLUS, after payment of the Dividends - - - £.		688,604
Deduct, Interest on Bonds provisionally charged to the Commercial Account -		93,363
£.		595,241

No. 17 of Appendix No. 26—*continued.*

SURPLUS COMMERCIAL PROFITS of the EAST INDIA COMPANY, after Payment of the Dividends on the Capital Stock, and the Interest upon the Bond Debt, from the 1st May 1814 to 1st May 1831; together with the Amount appropriated in the same period, and showing the Balance remaining unappropriated on 1st May 1831; prepared in accordance with the Opinion of the Company's Standing Counsel, as it respects the Home-bond Debt discharged.

		£.
Surplus Commercial Profits as adjusted in	1814–15	1,267,658
	1815–16	477,643
	1816–17	413,786
	1817–18	1,008,675
	1818–19	1,287,170
	1819–20	243,553
	1820–21	522,855
	1821–22	959,058
	1822–23	229,579
	1823–24	329,151
	1824–25	720,097
	1825–26	342,448
	1826–27	132,274
	1827–28	134,447
	1828–29	22,261
	1829–30	3,596
	1830–31	41,316
	£.	8,135,567

(from 1 May to 1 May in each Year)

APPROPRIATED AS UNDER, *viz.*

	Home-bond Debt.	India Debt.	Consignment of Bullion to India, in aid of Sinking Fund.	Sum directed by the Financial Letter to Bengal, of June 1821, to be advanced to the Sinking Fund.	TOTAL.	
	£.	£.	£.	£.	£.	
1814–15	196,200	329,704	-	-	525,904	
1815–16	136,300	318,382	-	-	454,682	
1816–17	-	477	-	-	477	
1817–18	12	200	-	-	212	
1818–19	-	98	1,000,537	-	1,000,635	
1819–20	-	-	166,302	-	166,302	
1820–21	-	6,285	-	-	6,285	
1821–22	-	10,576	-	1,500,000	1,510,576	
1822–23	1,100	25,500	-	-	26,600	
1823–24	75	1,396,842	-	-	1,396,917	
1824–25	—	—	—	—	—	
1825–26	712	-	-	-	712	
1826–27	-	3,950	-	-	3,950	
1827–28	-	82,103	-	-	82,103	
1828–29	-	82,065	-	-	82,065	
1829–30	-	75,778	-	-	75,778	
1830–31, No appropriation of Surplus Profits have been made in this year	—	—	—	—	—	
£.	334,399	2,331,960	1,166,839	1,500,000	-	5,333,198

Balance of Surplus Commercial Profits remaining unappropriated on 1st May 1831, including the sum of £. 1,848,790, Interest on the Balances due from the Territorial to the Commercial Branch	£.	2,802,369
Balance remaining unappropriated on 1st May 1831, exclusive of Interest, as above	£.	953,579

No. 17 of Appendix No. 26—*continued.*

AMOUNT of Loss from which the Commercial Branch is entitled to be relieved in respect to Investment from India, sold in the Year 1830–31, provided as a Remittance to meet Bills of Exchange for Interest of India Debt, under the Arrangement contained in the Plan of 1814 for keeping the Home Accounts.

Amount of investment supplied on account of Remittance for discharge of Interest Bills:		One half of each of the preceding Sums computed to enter into the Sales of 1830–31.	Average Rate at which all the Issues in India were charged to Commerce in each Year.	Issued to the Commercial Branch in India at the Rates already stated, producing the number of Rupees shown below.
		£.	s. d.	S. Rs.
In 1828–29 (as per former Statement B.)	£. 863,214	431,607	a' 2 4.012	36,97,904
1829–30 (continuation of ditto) - -	354,602	177,301	a' 2 3.999	15,19,777

From a continuation of a former Statement (C.) the average rate at which the balance of bills unprovided for, up to 1828–29, had been discharged in England, was 2 *s.* 3.599 *d.* per sicca rupee, and including 1829–30 was 2 *s.* 3,129 *d.*

The rates at which interest bills were discharged being thus less than the rates at which the Commerce has been charged in account by the Territory in the two years 1828–29 and 1829–30, the amount to be made good to the Commerce will be the difference by which the out-turn of the goods when sold may fall short of the rates at which their issue was respectively made.

The rate per sicca rupee of the net produce of the Indian investment at the Company's sales in 1830–31, (deducting interest and insurance at the average rate of the Company's losses at sea,) was per sicca rupee 1 *s.* 8.136 *d.*

Being 7.876 *d.* per sicca rupee short of the rate at which issues for commercial purposes were made in India in 1828–29.

And 7.863 *d.* per sicca rupee short of the rate at which these issues were made in 1829–30.

		£.
A short produce of 7.876 *d.* per sicca rupee is therefore to be made good to the Commercial Branch on sicca rupees 36,97,904, amounting to -	£. 121,353	
And of 7.863 *d.* per sicca rupee on - 15,19,777, - ditto - -	49,792	
		171,145

Continuation of Statement (B.)

ABSTRACT ACCOUNT between the Territorial and Commercial Branches of the Company's Affairs, in respect to Territorial and Political Payments in England, separately from the Transactions which relate to the Remittance of India Debt.

1829–30.

Dr.	£.		Cr. £.
To Balance applied to Investment on account of the Remittance Fund -	354,602	By Excess of Issues in India above amount paid in England, calculated at the rates of exchange fixed in 1814 - - - - - -	354,602

Continuation of Statement (C).

STATEMENT to show the Rates at which Bills of Exchange drawn for Interest of India Debt, and on other accounts, comprised in the Remittance Branch of the Accounts between the Territorial and Commercial Departments have been discharged in England, and the Average Rate of those which remain unprovided for by Remittances, otherwise than through the Company's Commerce at the end of 1829–30.

Excess of payments for bills above the remittances realized for meeting the same at the end of 1828–29, brought from former Account - - - - - £. 4,558,173 - - - - S. Rs. 3,96,37,420

Average rate to end of 1828–29 as before, 2 *s.* 3,599 *d.*

1829–30: add,

Excess of payments for bills beyond the amount realized 782,035 a' 2 *s.* 0.68 *d.* - — 76,04,878

£. 5,340,208 - - - - S. Rs. 4,72,42,298

Average rate to the end of 1829–30, 2 *s.* 3.129 *d.*

Appendix, No. 27.

STATEMENT of the CHARGES of the CIVIL and MILITARY ADMINISTRATION of the Three Presidencies of *India*, together with those of *Prince of Wales Island, Singapore* and *Malacca*, and *St. Helena*.

GOVERNMENT.	AREA.	POPULATION.	NUMBER OF					REVENUE.	CHARGES exclusive of DEBT.			
			DISTRICTS.	Civil and Uncovenanted SERVANTS, European.	MILITARY. European.	MILITARY. Native.	MARINE.		CIVIL.	MILITARY.	MARINE.	TOTAL.
	Square Miles.								£.	£.	£.	£.
Bengal - -	306,012	69,710,071	57	579	16,068	96,654	136	13,825,280	4,884,559	4,432,792	128,448	9,445,799
Prince of Wales Island, &c. -	1,317	107,054	- - -	13	- - -	- - -	- - -	32,897	123,233	18,800	11,165	153,198
Both - -	307,329	69,817,125	57	592	16,068	96,654	136	13,858,177	5,007,792	4,451,592	139,613	9,598,997
Madras - -	141,923 ½	13,508,535	21	261	12,832	57,531	European 20, Native 265	5,415,587	2,051,710	3,179,924	22,441	5,254,075
Bombay - -	64,938 ¼	6,251,546	10	215	7,728	32,508	European 542, Native 618	2,421,443	1,660,422	1,741,095	199,324	3,600,841
India - -	514,190 ¾	89,577,206	88	1,068	36,628	186,693	1,581	21,695,207	* 8,719,924	9,372,611	361,378	18,453,913
St. Helena - -	47 ¾	4,766	- - -	15	800	- - -	- - -	- - -	- - -	- - -	- - -	93,004
TOTAL - -	514,238	89,581,972	88	1,083	37,428	186,693	1,581	21,695,207	* 8,719,924	9,372,611	361,378	18,546,917

GOVERNMENT.	PROPORTION TO EACH PERSON; viz.											PER £. 100 GROSS REVENUE.		
	COVENANTED and UNCOVENANTED CIVILIAN.				MILITARY.				POPULATION:—CHARGE.					
	Square Miles.	Inhabitants.	Revenue.	Charge, Civil.	Square Miles.	Inhabitants.	Revenue.	Charge, Military.	Civil.	Military.	TOTAL Civil, Military and Marine.	Civil.	Military.	TOTAL, viz. Civil, Military and Marine.
			£.	£.			£.	£.	£.	£.	£.	£.	£.	£.
Bengal - - -	528	120,397	23,877	8,436	2.7	618	122.6	39.3	.07	.063	.135	35	32	68
Prince of Wales Island Singapore, &c. -	101	8,235	2,530	9,479	- -	- -	- -	- -	1.151	.175	1.428	374	57	465
Both - - -	519	117,934	23,409	8,251	2.7	618	122.6	39.3	.071	.064	.137	36	32	69
Madras - - -	543	51,756	20,749	7,860	2.	192	78.4	45.1	.151	.235	.388	37	58	97
Bombay - - -	302	29,076	11,262	7,722	1.6	155	60.1	43.2	.26	.278	.576	68	72	149
India - - -	481	83,873	20,313	8,164	2.3	401	97.1	41.9	.097	.104	.206	40	43	85
St. Helena - -	3	317	- -	- -	.06	6	- -	- -	- -	- -	19.5	—	—	—
Total Territory -	474	82,716	20,313	8,164	2.3	399	97.1	41.9	.097	.104	.207	40	43	85

East India House, 13 March 1832.

* These sums include Stipends and Pensions chargeable upon the Revenues.

(Errors excepted.)

James C. Melvill, Aud^r India Acc^ts.

Appendix, No. 28.

Charges of the Three Presidencies in the higher Departments of the Executive, Legislative and Diplomatic Administrations.

Appendix, No. 28.

COMPARATIVE TABLE showing the CHARGES of the Three PRESIDENCIES in the higher Departments of the EXECUTIVE, LEGISLATIVE and DIPLOMATIC ADMINISTRATIONS.

GOVERNMENTS.	OFFICES. NUMBER. Members of Council, including Governors and Commanders-in-Chief.	BOARDS: (Revenue, Customs, Trade, Marine.)	Number of Members comprising the Boards.	Secretaryships.	Diplomatic Agencies.	Total Number of Members.	CHARGE; Including Expense of Establishment. BOARDS. Council.	Revenue, Customs, Trade and Marine.	Secretaryships.	Diplomatic Agencies.	TOTAL.	AREA.	Population.	GROSS REVENUE.	PER-CENTAGE on Gross Revenue. Charge of Boards and Secretaryships.	Diplomatic Agencies.
							£.	£.	£.	£.	£.	Square Miles.		£.		
BENGAL - -	4	4	7	7	29	47	62,315	101,453	87,785	170,593	422,146	306,012	69,710,071	13,825,280	1.821	1.233
MADRAS - -	4	2	7	4	4	19	40,725	30,079	39,462	30,853	141,119	141,923	13,508,535	5,415,587	2.036	0.569
BOMBAY - -	4	- -	- -	3	4	11	38,225	- -	27,938	47,715	113,878	64,938	6,251,546	2,421,443	2.773	1.97
TOTAL - -	12	6	14	14	37	77	141,265	131,532	155,185	249,161	677,143	512,873	89,470,152	21,662,310	1.975	1.15

(Errors excepted.)

East India House,
13 March 1832.

James C. Melvill,
Aud^r India Acc^ts.

Appendix, No. 29.—AN ACCOUNT of the EXPENSES attending the

	1805–6.	1806–7.	1807–8.	1808–9.	1809–10.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Building	11,718 3 6	15,139 12 –	20,867 19 3	13,927 – –	14,565 6 2
Repairs and Alterations	654 3 9	216 4 4	1,193 3 5	245 9 –	532 13 4
Taxes and Parochial Rates, Tithes, &c.	74 5 11	390 6 4	377 2 4	883 4 3	319 7 8
Establishment: Salaries of Professors, and Wages of Servants	567 10 5	5,629 8 3	8,035 14 1	8,270 15 3	9,596 13 2
Pensions	- - -	- - -	- - -	- - -	- - -
Table and Housekeeping Expenses	1,001 5 –	1,467 8 10	4,644 6 –	4,590 16 1	4,672 5 8
Rents and Leases	375 – –	250 – –	250 – –	250 – –	250 – –
Furniture and Utensils	3,652 4 9	997 14 3	735 11 5	726 17 1	637 18 10
Coals and Candles	75 15 –	303 2 4	816 15 8	733 1 3	1,294 4 6
Mathematical and Philosophical Instruments, Books, Stationery and Prize Medals	204 7 6	773 16 –	1,383 12 6	959 6 10	1,121 4 8
Incidental	66 12 8	179 2 3	106 17 9	58 – 2	120 11 –
£.	18,389 8 6	25,346 14 7	38,411 2 5	30,644 9 11	33,110 5 –
RECEIPTS:					
Half-yearly Payments from the Students	1,155 – –	4,200 – –	7,507 10 –	8,242 10 –	9,450 – –
Ditto - Subscriptions to the Library and Philosophical Apparatus, &c.	- - -	- - -	131 5 –	304 10 –	441 – –
Rents and Sale of Produce	- - -	- - -	122 – –	129 10 –	84 15 –
Sale of Furniture and Fixtures at Hertford Castle	486 14 10	200 – –	185 3 –	- - -	- - -
£.	1,641 14 10	4,400 – –	7,945 18 –	8,676 10 –	9,975 15 –
NET EXPENDITURE £.	16 747 13 8	20,946 14 7	30,465 4 5	21,967 19 11	23,134 10 –
Number of Individuals who have received Instruction at the Establishment at Haileybury in each Year	11	40	72	79	90

Memo.—The above Account comprises the Charge incurred at Hertford Castle during the period the College was held there, previously to the completion of the Building at Haileybury.

An alteration having occurred in the year 1813–14, in the date of closing the Official Books, the Statement under that year comprises only a period of 10 months.

East India House,
29 February 1832.

(Errors excepted.)

om its Establishment to the present time, distinguishing each Year; also the Number of INDIVIDUALS who have received Instruction the

5-16.	1816-17.	1817-18.	1818-19.	1819-20.	1820-21.	1821-22.	1822-23.	1823-24.	1824-25.	1825-26.	1826-
s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£.
9 17 1	255 4 -	77 9 9	7 14 6	101 8 6	81 - 3	- - -	- - -	3,158 8 11	685 5 -	190 - -	-
6 4 3	1,843 19 6	1,404 3 1	1,969 11 8	2,433 17 1	2,533 17 5	1,369 - 9	1,449 1 9	3,173 2 2	2,973 15 4	1,352 13 5	3,388
2 8 5	593 11 6	557 9 -	503 11 11	616 2 7	518 5 10	443 14 8	416 10 4	643 10 1	461 7 10	385 17 7	383
6 8 1	8,915 13 10	9,287 - 4	8,510 9 9	8,583 16 1	8,644 5 9	8,290 11 -	8,218 - -	8,201 11 2	8,365 16 6	8,378 11 6	8,603
3 15 -	175 - -	275 - -	665 - -	745 - -	762 10 -	1,002 18 5	780 - -	1,254 7 8	782 14 9	1,832 - 5	866
7 14 6	4,524 18 2	3,856 19 10	4,039 13 5	5,194 10 11	5,324 11 5	4,658 10 5	*3,527 1 9	4,968 4 1	4,829 4 1	5,217 15 11	5,159
0 - -	250 - -	250 - -	250 - -	1,450 - -	- - -	122 15 -	122 15 -	122 15 -	146 7 6	138 10 -	138
7 18 6	211 3 11	263 2 5	353 2 10	338 1 -	332 8 4	294 4 8	497 9 5	386 12 5	529 8 -	533 19 -	882
7 16 -	1,299 11 8	1,280 17 1	1,468 7 4	1,536 12 2	1,553 15 6	1,433 3 6	1,295 7 7	1,368 18 8	1,536 16 6	1,447 2 8	1,485
3 4 5	1,160 1 -	685 12 -	550 2 2	637 16 9	1,824 3 8	1,684 13 4	3,224 14 7	1,399 5 11	1,184 15 1	2,783 18 7	996
6 4 2	145 10 7	214 15 11	127 1 11	121 11 8	134 18 1	387 15 1	252 9 4	260 9 2	259 18 -	274 4 6	309
1 10 5	19,374 14 2	18,152 9 5	18,444 15 6	21,758 16 9	21,709 16 3	19,687 6 10	19,783 9 9	24,937 5 3	21,755 8 7	22,534 13 7	22,213
0 - -	7,665 - -	6,405 - -	6,930 - -	8,977 10 -	9,135 - -	8,295 - -	7,875 - -	9,082 10 -	9,450 - -	9,765 - -	9,292
8 7 11	1,233 4 6	1,458 7 1	1,014 8 10	1,206 - 11	1,349 7 11	1,478 16 3	1,513 19 -	1,405 3 10	1,388 12 1	1,822 19 -	2,218
4 18 6	197 10 -	136 - -	146 12 -	48 10 -	43 10 -	43 - -	38 10 -	314 3 6	96 10 -	99 5 -	98
- -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-
3 6 5	9,095 14 6	7,999 7 1	8,091 - 10	10,232 - 11	10,527 17 11	9,816 16 3	9,427 9 -	10,801 17 4	10,935 2 1	11,687 4 -	11,609
8 4 -	10,278 19 8	10,153 2 4	10,353 14 8	11,526 15 10	11,181 18 4	9,870 10 7	10,356 - 9	14,135 7 11	10,820 6 6	10,847 9 7	10,603
78	73	61	66	86	87	76	76	87	90	95	86

penditure of 11 months only, an alteration in the periods of passing the Disbursement Accounts of the College Council having occurred in that year.

For the number of Students who have received instru

No. 30.—AN ACCOUNT of the EXPENSES attending the ESTABLISHMENT for CADETS at *Addiscombe*, from its Institution to the pr

8-9.	1809-10.	1810-11.	1811-12.	1812-13.	1813-14.	1814-15.	1815-16.	1816-17.	1817-18.	1818-19.	181
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£.
- - -	- - -	17,251 4 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-
- - -	- - -	7,558 3 9	880 19 1	9 5 -	- - -	- - -	188 16 -	- - -	5,600 - -	6,623 19 10	2,91
- - -	- - -	43 - 5	59 - 7	78 - 5	149 - 1	212 5 6	206 8 11	179 17 -	139 17 10	20 18 7	9
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-
- -	1,567 15 10	1,771 4 2	1,406 4 3	2,660 3 5	2,740 19 6	3,929 18 3	4,112 11 5	4,016 6 3	3,994 18 3	3,705 3 6	3,98
- 4	334 6 10	1,117 1 3	797 13 11	1,088 8 4	788 7 7	1,818 9 2	1,134 - 7	1,222 6 6	1,613 - 7	2,453 15 2	2,61
1 -	141 5 6	993 10 10	425 15 9	577 18 5	370 3 11	459 15 6	270 7 8	434 9 7	592 7 8	679 7 10	71
-	- - -	- - -	37 - 10	101 9 7	166 9 6	277 12 11	189 11 11	261 5 2	282 10 10	260 19 7	26
2 10	4,988 6 6	5,835 15 7	5,122 5 5	2,785 18 3	- - -	- - -	- - -	- - -	- - -	- - -	-
-	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-
-	- - -	- - -	19 8 6	1,695 7 -	1,994 13 -	2,591 19 7	2,662 7 -	2,849 8 3	2,667 14 -	3,205 6 9	4,02
1 10	297 19 2	1,168 18 5	709 9 9	837 11 11	646 3 3	711 7 11	716 6 6	731 5 4	694 2 7	860 14 11	1,10
-	- - -	- - -	256 8 4	925 9 11	528 12 11	736 16 10	1,783 - 10	2,220 19 1	1,226 16 5	903 - 8	82
-	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	246 4 4	133 3 11	13
-	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-
2 -	- 14 6	47 10 4	13 12 4	50 17 7	40 9 9	69 8 7	65 1 5	106 14 6	128 6 4	85 1 -	7
8 -	7,330 8 4	35,786 8 9	9,727 18 9	10,810 9 10	7,424 19 6	10,807 14 3	11,328 12 3	12,022 11 8	17,185 18 10	18,931 11 9	16,76
- -	1,994 14 6	2,925 15 5	2,241 3 7	2,400 12 11	2,793 19 -	3,223 9 9	2,870 6 1	2,430 2 2	2,363 7 5	4,394 4 1	3,70
-	200 - -	400 - -	400 - -	200 - -	- - -	- - -	- - -	- - -	- - -	- - -	-
-	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	-
- -	2,194 14 6	3,325 15 5	2,641 3 7	2,600 12 11	2,793 19 -	3,223 9 9	2,870 6 1	2,430 2 2	2,363 7 5	4,394 4 1	3,70
8 -	5,135 13 10	32,460 13 4	7,086 15 2	8,209 16 11	4,631 - 6	7,584 4 6	8,458 6 2	9,592 9 6	14,822 11 5	14,537 7 8	13,06
5	67	74	65	71	68	56	54	62	57	83	1

r 1813-14 in the date of closing the Official Books, the Statement under that Year comprises only a period of 10 Months.

(Errors excepted.)

INDIVIDUALS who have received Instruction there in each Year.

1824-25.	1825-26.	1826-27.	1827-28.	1828-29.	1829-30.	1830-31.	TOTAL.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
- - -	- - -	- - -	- - -	- - -	- - -	- - -	17,251 4 -
1,180 16 11	11,874 11 3	7,529 4 -	3,206 15 3	1,823 13 8	6 10 -	6 - -	65,618 - 4
898 12 9	587 11 9	1,743 6 3	824 5 4	833 13 1	248 17 3	608 1 11	8,346 16 5
332 3 2	1,003 5 6	1,122 4 5	580 7 2	264 8 10	219 2 3	196 13 2	6,579 16 1
7,111 13 7	6,596 15 10	7,919 16 -	8,650 3 10	9,123 10 7	8,978 10 9	9,253 - 9	111,807 16 2
1,951 11 5	941 17 1	3,490 7 1	1,353 12 4	3,259 6 7	1,021 7 8	3,163 16 9	37,541 5 -
881 17 7	1,260 7 5	1,516 10 9	1,175 7 11	1,696 8 5	1,147 18 4	1,004 4 1	18,752 11 8
188 3 9	291 13 3	220 11 2	305 - 2	311 13 4	402 14 10	360 4 2	4,861 16 1
- - -	- - -	- - -	- - -	- - -	- - -	- - -	20,450 8 7
- - -	- - -	- - -	- - -	- - -	208 2 6	92 10 -	300 12 6
3,654 2 -	4,256 10 7	4,961 9 3	5,084 2 8	3,468 15 4	4,335 19 8	4,223 10 9	66,483 16 8
1,065 19 2	1,314 15 6	1,570 2 4	1,680 2 -	1,298 5 9	1,346 17 9	1,417 2 10	22,731 19 6
1,987 15 1	1,904 8 10	3,643 8 4	5,226 - 2	3,862 11 4	3,582 14 2	3,265 18 7	37,136 14 1
377 1 4	333 3 11	333 3 11	333 3 11	408 3 11	611 - -	500 - -	4,784 19 10
- - -	50 - -	350 - -	500 - -	700 - -	- - -	- - -	1,600 - -
229 6 1	245 14 8	311 9 10	482 7 -	339 5 2	314 19 7	335 18 2	3,526 17 -
26,159 2 10	30,660 15 7	34,711 13 4	29,401 7 9	27,389 16 -	22,424 14 9	24,427 1 2	427,774 13 11
5,997 3 4	6,298 10 3	7,885 10 5	6,775 16 3	6,130 18 6	7,846 14 7	8,341 4 -	100,379 11 1
- - -	- - -	- - -	- - -	- - -	- - -	- - -	1,200 - -
- - -	- - -	- - -	5 17 6	6 - -	7 10 -	10 10 -	29 17 6
5,997 3 4	6,298 10 3	7,885 10 5	6,781 13 9	6,136 18 6	7,854 4 7	8,351 14 -	101,609 8 7
14,161 19 6	24,362 5 4	26,826 2 11	22,619 14 -	21,252 17 6	14,570 10 2	16,075 7 2	326,165 5 4
100	106	142	134	120	127	136	

Purchase - - - - - - £.	17,251 4 -	
Building and Alterations - -	65,618 - 4	
		82,869 4 4
TOTAL EXPENSE, exclusive of Buildings, &c. - - - - £.		243,296 1 -
Deduct Trigonometrical Survey and Sapping and Mining, a limited Number only of the Cadets being instructed therein - - - - - - - - - - - - - -		37,136 14 1
TOTAL EXPENDITURE upon the Ordinary Education of Cadets - - - - £.		206,159 6 11

For the number of Cadets who have received Instruction at Addiscombe.

William Abington, Clerk Mil. Sem. Comm.

Appendix, No. 31.

Minute of Sir John Malcolm, 30 Nov. 1830.

Appendix, No. 31.

EXTRACT from a Minute of Sir *John Malcolm*, dated 30th November 1830, on his Administration of the *Bombay* Government.

Financial Results.

268. THE actual reduction of expenditure since my arrival, amounts in all, in the Civil and Marine departments, to 11,15,860 rupees, and the prospective reduction to 3,48,946 rupees. From these sums must be deducted an actual increase of rupees 6,59,770, and a prospective one of 12,000 rupees; this would leave a net decrease in the actual charges of rupees 4,56,099, and in the prospective of 3,33,946 rupees, amounting in all to 7,93,036 rupees.*

269. Under the head of Extraordinary Charges there is an additional net decrease of 9,10,900 rupees during the course of the three years following November 1827, as compared with the three preceding that date. It may be observed that two of the principal items of increase, the Audit and Mint departments, were adopted at the suggestion of the Finance Committee, and that the decreases of extraordinary charges, although large, would have been considerably larger had not the compensation allowance to civil servants thrown out of employ by the operation of the economical measures, added greatly to the amount of expenditure under this head. This item, together with the expense attending the mission to England, consequent on the proceedings of the Supreme Court, amounts to nearly a lac and a half of rupees, but are of course to be viewed as temporary charges.

270. The actual permanent reduction in military expenses amounts to 40,27,498 rupees, from which must be deducted an increase of 7,67,510 rupees, leaving a net decrease of 32,59,988; of the increase, 6,58,281 rupees is permanent and 1,07,299 rupees is temporary. Of the permanent increase, 4,59,405 was in consequence of orders from home, and the remainder, 3,85,618, is the result of the arrangements of the Bombay government; of this sum 1,07,229 rupees is temporary, and indeed 27,716 rupees have already been discontinued. Of the total decrease, 10,78,757 rupees was by orders from home, 29,48,741 rupees by Government*. For the particulars of these items a reference must be made to accompanying statements, from which it will be observed what sums have actually been reduced and what are in a prospective state of retrenchment. For the above decrease a considerable amount is to be added, the result of reductions and alterations of establishments, ordered in October and November last; but as these are all prospective they are included in the total which has been exhibited.

271. The disbursement for extraordinaries in the Military department during the three years that I have presided over this government, are less than those of the preceding years by 69,06,609 rupees. The largeness of this sum is attributable to field charges in the former years, but still, excluding these, the reduction of expenditure is very great. The net decrease in the several departments is nearly as follows:

Civil department - - - - -	*Rs.* 5,18,765
Military ditto - - - - - - -	32,59,988
Marine ditto - - - - - - -	2,74,271
TOTAL - - -	*Rs.* 40,53,024
Civil and Marine extraordinaries - - -	9,10,900
Military - - - - - ditto - - - -	69,06,609
TOTAL for three years - - -	*Rs.* 1,18,70,533

272. This short notice of financial results will be fully illustrated by the documents which accompany this Minute. It is therefore only necessary to add that many charges, and those of a very heavy nature, must gradually diminish, if the system of check and control over expenditure which has been established, is fully supported and rigidly exercised. No attempt can be made at present to estimate prospective reductions, but the accounts of next year will show more fully the effect of recent measures in their operation in the departments of commissariat stores, public buildings, and all contingencies and extraordinaries, civil and military.

General Observations on the Administration of the *Bombay* Presidency.

273. THE Territories of Bombay are not generally productive, and its revenue is not equal to its expenses. This would not be felt as an evil if it were not for the usage, which notwithstanding changes that have amalgamated their territories, still keeps distinct the accounts of receipts and disbursements of Bengal, Madras and Bombay, as in times when independent

* About 12 lacs of this reduction was by instructions from the Supreme Government.

Appendix, No. 31.

Minute of Sir John Malcolm, 30 Nov. 1830.

independent kingdoms intervened between these presidencies. I have in the Minute noted in the margin observed upon the injurious effects of this usage; it will I trust be early altered, and India be governed as a whole, otherwise the recent labours of the Governor-general in Council to produce uniformity of system, will prove fruitless, if the rule of comparing receipt and disbursement in the various quarters of our empire continue. Expenses beyond what are calculated will be tolerated in those parts which are richest and which require least force to guard and least trouble to manage them, while every proposition to improve a rugged and unproductive country, or to preserve its peace, will be rigidly tried and checked with reference to the resources of its government, and the rewards and salaries to which public officers are entitled, for their arduous duties, will be judged by the same standard. To illustrate the unfair operation of this rule, as applied to Bombay, it need only be stated that the Indian navy, which protects an extensive and profitable commerce, from which every part of India benefits, besides keeping up the communication with Europe by the Persian Gulf and Red Sea, is wholly charged to this Presidency, and that his Majesty's corps (one regiment of dragoons and four of infantry) consume a great portion of the revenue. These corps may be necessary to maintain and defend India, but they are not required to preserve the local peace of this quarter, although many circumstances may render it expedient that they should be stationed where they are, but this cannot constitute a reason why this Presidency should be debited with a charge for a force which, as it relates to its own territories, it does not require, and which is so disproportionate to its means. It is possible that circumstances may require a still greater proportion of European force in the western parts of India, and an increase of native troops. We have an exposed frontier to defend, and if such additions are made, the complaints of our superiors regarding the excess of expenditure over receipt at this Presidency will be increased. It may appear trifling to dwell upon such a palpable absurdity as such distinctions in the financial part of our rule would appear, but when I observe this cause operating in a manner injurious to the public interests, I must desire to call it to the serious and early attention of the authorities in England.

Appendix, No. 32.

Appendix, No. 32.

Charge for Public Buildings; Letter to Bengal Government, 31 March 1830.

LETTER from the Court of Directors to the Governor-general in Council at *Bengal*; (Finance Department); dated 31st March 1830.

Para. 1. HAVING recently had under our consideration the expenses which of late years have been incurred upon Public Buildings in India, we were induced to direct our especial notice to the regulations which are laid down at our several Presidencies for the observance of the departments to which the execution and superintendence of works are entrusted. Our object has been to ascertain whether those regulations are calculated to ensure a correct and economical disbursement of the public money, as well as the completion of works in a durable manner; and it affords us pleasure to be enabled to state, after an attentive examination of them, our conviction of their general fitness to answer these important ends At the same time, a few points have presented themselves which appear to be susceptible of improvement, and upon such of these as relate to your Presidency we proceed to communicate our sentiments.

2. It appears that, in the Civil department under your government, certain repairs are made to the buildings at the different Zillah stations, the execution of which is not committed to the officers regularly appointed to the charge of districts, nor is it, we presume, in any way subjected to their control. The sums expended in these repairs form part of the contingent charge of Judges and Collectors, and it is to be inferred that the outlay takes place solely at their discretion. Under this system, a sum of from 40,000 to 45,000 rupees is annually disbursed for repairs to the several gaols throughout the provinces subject to your government; the individual items of which, it is true, are often but of small amount, though in some instances they reach as high as from 2,000 to 5,000 rupees. We desire that in future all repairs, as well as new works, which involve an outlay of 500 rupees, be entrusted to the regular executive officers of your establishment. Should circumstances in any instance render obedience to this order impracticable, the Judges and Collectors must obtain your consent before they commence the outlay of such an amount, except only when the delay of a previous reference to you would be obviously detrimental to the public interests; and even in these cases we direct that an executive officer certify to the work having been properly performed.

3. You are aware that officers appointed to carry on Public works are required to make affidavit to the correctness of their disbursements. We observe that the affidavit prescribed to be taken under your Presidency, does not go to such an extent as that demanded from officers of the Madras and Bombay establishments; and that when the works have been performed upon estimates regularly sanctioned, a declaration upon honour is by you held to be sufficient. The same is the case when Bengal officers have superintended the execution of works upon contract. We desire that your practice in these matters be assimilated to that which exists at the other Presidencies. We must also remark, that there is an objection to the method of requiring affidavits of this sort to be made *periodically*, and to the *general* correctness of disbursements. We consider that, under such a system, they are likely to degenerate into mere form, and that the plan of annexing an affidavit to the bill for each

 particular

Appendix, No. 32.

Charge for Public Buildings; Letter to Bengal Government, 31 March 1830.

particular work, is the one best calculated to keep the minds of officers alive to the importance of the attestation which they are making: you must therefore observe this plan in future.

4. We are not aware of any further points of which it is necessary for us to take separate notice. The main scope of the regulations relating to the Building departments is the same we observe at each of the Presidencies; but there are some matters which are more fully explained and provided for at one Presidency than another. We shall therefore direct the other governments to communicate to you the whole of their regulations relating to Public Works, in order that, as far as possible, an uniform system may be adopted throughout India. In effecting this object, you are to understand that the alteration of those matters of regulation wherein our several governments at present differ, is to proceed on this principle; that in each particular that Presidency is to be regarded as the model for imitation by the rest, where abuse and neglect are most amply provided against, and the dispatch of business most effectually secured.

5. We also desire that you will form into one code the whole of your rules upon this subject, which we have found to be very much scattered, and that you forward to us some printed copies of the same.

6. In the course of the investigations which we have made, it has attracted our notice that no uniform method has existed in India of rewarding executive officers for their superintendence of public works. At Bombay, it appears never to have been usual to grant them more than the staff allowances fixed for the performance of such duties. At Madras, it was long the practice to grant officers a commission on the cost of the work executed, till that government, some years ago, discontinued it as objectionable; while at your Presidency it has been the custom to make donations to individuals of 10, and occasionally even 15, per cent. upon the amount of their disbursements. We have already, in our communication to you, disapproved not merely the excess to which you have carried this principle, but also the principle itself; yet we cannot find that it has been relinquished. We give you credit for making such donations only when you are satisfied that the duties committed to officers have been skilfully and economically fulfilled; but, conceding this, it is not sufficient to remove our objections to such a mode of remuneration.

7. We are not aware that you ever granted a donation to an individual who had been at the same time receiving either the regular salary attached to the charge of a division or district, or a personal salary for performing the particular duties on account of which the donation was presented to him, and we take this opportunity to prescribe it as a rule that in no such case you grant any extra reward without our specific sanction. When an officer, not having drawn allowances of the above description, shall have superintended or executed works in such a manner as to recommend himself to your notice for a donation, we desire that the amount of it may be regulated by more economical principles than you have formerly observed in such cases, and that it be not fixed with any reference to the extent of his disbursements. We would suggest, as a more proper mode of determining what should be the amount of a donation, that after considering the time during which the party has been employed, you shall compare the labour and responsibility which he has undergone with those of officers who draw the regular salary annexed to the charge of districts.

8. We positively desire that in no instance you grant a donation to an officer till after the expiration of three years from the completion of the work, his performance of which has recommended him for such a distinction.

9. Considering the financial difficulties under which India has for some years been labouring, we have been somewhat struck with the amount of expenditure which has taken place upon Public Works of various descriptions. The note below contains an account of the sums which have been laid out upon new buildings under your government during the last four years*, for which your general books are in our possession. Much of this outlay we are aware is to be attributed to the increase of your territory and establishments, having rendered it necessary to construct additional buildings and works of defence; yet after making due allowance for these considerations, we still think that the disbursement has been larger than it ought to have been had your government been actuated by that determined spirit of economy which circumstances urgently required. It is at least certain that after so much money has long been annually sunk in this way, a very moderate expenditure should suffice for future years.

10. Persuaded, after the experience we have had, that in order to enforce the observance of the necessary economy in this large branch of your expenditure, it is expedient that it should

* New Buildings.

—	CIVIL.	MILITARY.	TOTAL.
1823-24 - - - -	10,16,303	4,46,605	14,62,908
1824-25 - - - -	12,74,782	6,08,086	18,82,868
1825-26 - - - -	9,98,693	14,65,792	24,64,485
1826-27 - - - -	6,45,510	8,08,680	14,54,190
Total Rupees - -	39,35,288	33,29,163	72,64,451

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Charge for Public Buildings; Letter to Bengal Government, 31 March 1830.

should be more immediately brought under our own supervision and control. We direct as follows:

11. No new work or building, nor any alteration or repair of any old work or building, the estimated cost of which shall exceed ten thousand rupees (10,000 rupees) shall be commenced in any department till our consent thereto shall have been obtained, excepting only in cases of sudden and unforeseen emergency, where it is absolutely necessary that such new work, alteration or repair should be commenced before our pleasure can be known.

12. In such cases, you will communicate by the very first opportunity the peculiar circumstances of such emergency.

13. We shall hold you responsible for the indispensable necessity of the case which may have obliged you to incur such expenditure without our previous sanction.

14. A similar restriction is to be observed in respect to the purchase of land or buildings.

15. You will report to us every three months, the progress made in the several works, and the prices at which the materials and labour have been furnished in the execution of each separate service.

16. You will transmit every estimate to us by the first opportunity after it has received your sanction, and you will endeavour to have all estimates prepared so far prospectively as to enable us to signify our pleasure upon them before the commencement of the works to which they refer.

17. We direct that in future, you report to us in separate letters in the several departments, all matters relating to Public Works, whether buildings, fortifications, roads, bridges, canals or tanks, as well as all proceedings which refer to the officers and establishments employed in carrying on such works, and the rules which may at any time be laid down for their observance.

We are, &c.

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Appendix, No. 33.

Charge for Public Buildings; Letter to Madras Government, 31 March 1830.

LETTER from the Court of Directors to the Governor in Council at *Madras*; (Finance Department); dated 31st March 1830.

Para. 1. HAVING recently had under our consideration the expenses which have of late years been incurred upon Public Buildings in India, we were induced to direct our especial notice to the regulations which are laid down at our several Presidencies for the observance of the departments to which the execution and superintendence of works are entrusted. Our object has been to ascertain whether those regulations are calculated to ensure a correct and economical disbursement of the public money, as well as the completion of works in a durable manner; and it affords us pleasure to be enabled to state, after an attentive examination of them, our conviction of their general fitness to answer these important ends. At the same time, a few points have presented themselves which appear to be susceptible of improvement, and upon such of these as relate to your Presidency we proceed to communicate our sentiments.

2. It would appear that in the provinces subordinate to your Presidency, it is the custom to have certain repairs to the civil buildings performed under the superintendence of the judges and collectors, without the intervention of a regular executive officer. The sums disbursed for these repairs are, it is true, generally of trifling amount, but we take this opportunity of observing, that engineer officers, as well from their education and experience as on account of the more regular control which is exercised over their proceedings, are the only persons to whom the superintendence of public works of any kind can safely be entrusted. We accordingly direct that, except when it may be absolutely impracticable, no new works or repairs which involve an outlay of 500 rupees be committed to the execution of any other than officers of that description.

3. You are aware that officers appointed to carry on public works have to make affidavit to the correctness of their disbursements. It is provided at your Presidency, that instead of affixing such affidavit to the bill for each separate work, the officer shall make oath *quarterly* to the effect required. We consider such a system as this to be objectionable, because there is a danger that under its influence the affidavit may be regarded as a mere form, whereas the plan of annexing a declaration to the bill for each particular work seems calculated to keep the minds of officers alive to the importance of the attestations which they are making. You will therefore observe the latter plan in future.

4. We find that useless expense has on some occasions been incurred in India by the selection of sites for new buildings which have been afterwards found so unhealthy as to render it necessary that the stations should be abandoned. The Supreme Government, some years ago, laid down a rule, that no barrack, gaol or hospital should be erected without the concurrence of the superintending surgeon, or senior medical officer on the spot, as to the site and aspect of the building. It is so evidently proper to take every precaution that the sums devoted to public works shall be well applied, and the above precaution, in a country like India, appears to be of such an obvious kind, that we are rather surprised at its having ever been overlooked. We direct that you will invariably attend to it in all cases in which it may be hereafter required.

5. In

Appendix, No. 33.

Charge for Public Buildings; Letter to Madras Government, 31 March 1830.

5. In the general view which we have taken of the regulations in force at your Presidency, in respect to public works, it has not failed to attract our notice that works in the Revenue Department are exempted from the system of management and control under which those in the other departments of the service are placed. We cannot discover what advantage is secured by such an arrangement as this. It is undoubtedly proper, in the case of works which are intended to ensure the due irrigation of the soil, and the means of communication between one part of the country and another, that the revenue authorities should be consulted as to what disbursements are in their opinion requisite, but we feel assured that, as concerns the mere execution of works and the expenditure of money, the adoption of one system of check for all departments is calculated to produce the most beneficial results. We therefore desire that in future public works in the Revenue branch be carried on under the control of and in communication with the Military Board, and be subjected in all other respects to the same management as works in the other departments.

6. We are not aware of any further points of which it is necessary for us to take separate notice. The main scope of the regulations relating to the building departments is the same, we observe, at each of the Presidencies, but there are some matters which are more fully explained and provided for at one Presidency than another. We direct therefore that you communicate to the Bengal Government the whole of your regulations relating to public works, and we shall issue orders to the Bombay authorities to make a similar communication, in order that as far as possible an uniform system may be adopted throughout India. In effecting this object we have given the Bengal Government to understand that the alteration of those matters of regulation wherein they at present differ from our other governments is to proceed on this principle, that in each particular that Presidency is to be regarded as the model for imitation by the rest, where abuse and neglect are most amply provided against, and the dispatch of business most effectually secured.

7. In our despatch to you in this department (No. 1, of 1830), we informed you of its having been found impracticable to obtain from your accounts a perfect statement of the sums expended on public buildings under your Presidency. We therefore derive no assistance from a source of that kind in forming an idea of the extent to which you have been guided by principles of economy in this branch of expenditure. We are disposed, however, from a review of your proceedings in the several departments, to give you credit for having shown a disposition to restrict the outlay upon public works within moderate bounds; though still we are not satisfied, considering how severely the financial interests of India have for some years been depressed, that such a disposition might not have beneficially displayed itself in a more decided manner.

Paras. 8 to 14, regulations to be observed, the same as those in Letter to the Bengal Government, paras. 10 to 17.

Appendix, No. 34.

LETTER from the Court of Directors to the Governor in Council at *Bombay*; (Finance Department); dated 31 March 1830.

Appendix, No. 34.

Charge for Public Buildings; Letter to Bombay Government, 31 March 1830.

Para. 1. HAVING recently had under our consideration the expenses which of late years have been incurred upon Public Buildings in India, we were induced to direct our especial notice to the regulations which are laid down at our several Presidencies for the observance of the departments to which the execution and superintendence of works are entrusted. Our object has been to ascertain whether those regulations are calculated to ensure a correct and economical disbursement of the public money, as well as the completion of works in a durable manner; and it affords us pleasure to be enabled to state, after an attentive examination of them, our conviction of their general fitness to answer these important ends. At the same time, a few points have presented themselves which appear to be susceptible of improvement, and upon such of these as relate to your Presidency we proceed to communicate our sentiments.

2. By a General Order, published on the 1st August 1819, you directed that the control of engineer officers over the civil buildings at the subordinates should be confined to the Sudder station of each Zillah, in no case extending to the buildings in the Pergunnahs without your special order. We accordingly find that disbursements are often made for public works carried on under the sole superintendence of collectors or magistrates. We decidedly object to the existence, in any considerable degree, of a practice such as this. We consider that engineer officers, as well from their education and experience, as on account of the more regular control which is exercised over their proceedings, are the only persons to whom the superintendence of public works of any kind may be safely entrusted; and we direct that in future, except when it may be absolutely impracticable, no new works or repairs, which involve an outlay of 500 rupees, be committed to the execution of any other than officers of that description.

3. We have been especially struck with one instance, which your subordinate accounts furnish, of very extensive disbursements, of the kind to which we allude, having been made under the superintendence of a collector and magistrate. It appears that Mr. Lumsden, while collector of Surat, drew from the treasury under his charge sums which, in the course of four* years, amounted to no less than 1,17,688 rupees, for various objects, chiefly for the construction and repair of Wells and Tanks, and for repairs to the Tannas in the Collectorate over

* From 1822 to 1825 inclusive.

Appendix, No. 34.

Charge for Public Buildings; Letter to Bombay Government, 31 March 1830.

over which he presided. We further observe with surprise, that the whole of the above sum remains to the debit of Mr. Lumsden on the books of the Surat collectorate up to the 30th of April 1828; although at that date a period of between six and seven years had elapsed since the first portion of it was drawn, and a period of more than two years since he quitted Surat to take charge of another station. Such a circumstance seems to indicate considerable neglect on the part of the officers of audit at your Presidency, since we cannot doubt that the advances in question were properly applied by Mr. Lumsden. It is our wish that you will furnish us with an explanation upon the subject.

4. Another respect in which the regulations at your Presidency are deficient, is, that they do not require security to be given by executive officers in consideration of the advances of public money which are continually being made to them. Under the Bengal Government, officers in regular charge of districts are required to enter into bonds of 10,000 rupees, and officers temporarily employed in the building department of 5,000 rupees each; and at Madras also executive engineers give security to the Government in various sums, proportioned to the average amount of their disbursements. We desire that you immediately introduce a similar provision into your regulations, and that you call upon all the officers on your establishment, to whom the execution of public works is committed, to furnish security to the extent of at least 10 per cent. upon the average annual amount of the cash advances with which they are supplied.

[Concurrence of medical officer required as to the site of a building, same as para. 4, and regulations to be conformed to those of Bengal, the same as para. 6, of the Letter to the Madras Government.]

7. In the course of the investigations which we have made, we have been much displeased by observing the great neglect which your Government has shown, in not duly reporting to us the sums which have been expended under your Presidency for public works; and we may remark, that yours is the only one of our Governments which has been guilty of such an omission. In all your despatches, but more especially those in the Revenue and Judicial departments, this neglect is evident; and even in your Military letters, disbursements are not advised, unless they happen to be of very large amount. We positively enjoin you to report distinctly to us every future instance of expenditure, whether for new works, purchases or repairs, which shall amount to 1,000 rupees.

8. Considering the financial difficulties under which India has for some years been labouring, and the great degree in which they have been aggravated by the heavy pressure of your annual deficiency, we have been somewhat struck with the amount of the expenditure which has taken place under your Government upon works of various descriptions. The note below * contains a statement of the sums which you have laid out on new buildings alone during the last three years, for which we have received your books of account. Much of this outlay we admit is to be attributed to the increase of your territory and establishments, having rendered it necessary to construct additional buildings and works of defence; yet after making due allowance for these considerations, we still think that the expense has been much greater than it would have been had your Government been actuated by that determined spirit of economy which circumstances urgently required. It is at least certain that after so much money has been annually sunk in this way, a very moderate expenditure should suffice for future years.

[Paras. 9 to 16, Regulations to be observed, the same as those in Letter to Bengal Government, paras. 10 to 17.

Appendix, No. 35.

Appendix, No. 35.

Charge for Public Buildings; Letter from Bengal Government, 17 May 1831.

Extract LETTER from the Governor-general in Council at *Bengal*, to the Court of Directors (Finance Department); dated 17th May 1831.

Answer to Letter, dated the 31st March 1830; prescribing rules for observance in the construction and repair of public buildings in India.

Para. 6. WE transmitted copies of the paragraphs of this despatch, as specified below †, to the several departments respectively, for information and orders.

7. A copy of paragraphs 1 and 2 was likewise transmitted to the Sudder Board of Revenue, for communication to the several authorities subordinate to them.

* New Buildings.

	CIVIL.	MILITARY.	TOTAL.
1825–26 - - - -	5,60,321	6,67,756	12,28,077
1826–27 - - - -	6,63,468	3,80,227	10,43,695
1827–28 - - - -	3,89,062	3,34,540	7,23,602
Total Rupees - -	16,12,851	13,82,523	29,95,374

† Judicial Department paras. 1, 2, 9 to 17. Military ditto, 1 to 17. Political ditto, 9 to 17. General ditto, 9 to 17. Consultations, 7th September 1830.

Appendix, No. 36.

Appendix, No. 36.

Charge for Public Buildings; Fort St. George Consultations, 23 September 1831.

EXTRACT from *Fort St. George* Finance Consultations, of 23d September 1831.

Ordered,—That a copy of the Honourable Court's despatch, under date the 31st March 1830 (No. 40 of 1830), be furnished for the information and guidance of the Military Board, and with instructions to issue to the several officers under their control the necessary directions for giving effect to the orders of the Honourable Court.

The subject of works in the Revenue Department, referred to in para. 5 of the Honourable Court's despatch, will be taken into consideration separately.

The Military Board will lay before Government a copy of the whole of the Regulations relating to Public Works, in order that the reference prescribed in the 6th para. of the Honourable Court's despatch may be made to the Bengal Government; and will submit the periodical reports required by the 13th para. of the same despatch.

Ordered,—That a copy of this Resolution, and of the Honourable Court's despatch, dated 31st March 1830, be furnished to the Accountant-general.

Ordered also,—That copy of the foregoing Resolutions and Orders be furnished to the Accountant-general, and an extract thereof to the Military Board, for their information and guidance.

LETTER from the Military Board at *Madras* to the Governor in Council at *Madras*; dated 8th November 1831.

Letter from Madras Military Board, 8 November 1831.

Sir,

WE have the honour to acknowledge the receipt of a letter from the Chief Secretary in the Financial Department, bearing date 23d September last, transmitting copy of a despatch from the Honourable Court, dated 31st March 1830, (No. 40 of 1830).

Adverting to the despatch from the Honourable Court, noticed above, it appears that paras. 3, 4 and 6 only require our notice. We have given the necessary orders for each separate bill of executive engineers being supported by an affidavit.

Sites for public buildings have been selected, in communication with local medical authorities, since 1825, under the orders of Government.

A correct copy of the Engineer Regulations was submitted, with our Report, No. 269, dated 26th July last.

We have, &c. &c.

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Appendix, No. 37.

Charge for Public Buildings; Letter from Bombay Government, 6 November 1830.

Extract from a LETTER from the Governor in Council at *Bombay*, to the Court of Directors (Finance Department); dated the 6th November 1830.

Honourable Court's Letter, dated the 31st March 1830.

Par. 1st. Observe that their attention has been directed to the regulations respecting the construction of public buildings, express conviction of their general fitness to answer the objects in view, but proceed to communicate their sentiments on several points which they consider susceptible of improvement.

2d. Object to the practice of allowing disbursements on account of public works being made by any other than engineer officers, whom for various reasons they consider the only persons to whom the superintendence of public works can safely be intrusted, and direct that no work involving an outlay of rupees 500 be committed to the superintendence of any but officers of that description, except when it may be impracticable to do so.

3d. With regard to the subject adverted to in the second paragraph, we beg leave to inform your Honourable Court that the reasons which led to the issue of the Order of the 1st August, to which you allude, are fully laid down in our President's Minutes of the 13th March 1829 and 14th May 1830. It is there clearly shown, that, were the repairs of every description of public buildings thrown solely on the Engineer department, it would require a very great increase of officers and establishment, to be at all efficient for the duty imposed upon it, and a consequent heavy expense would be incurred.

4th. The present establishment of officers belonging to the engineer corps is quite unequal to such extensive personal supervision, as the system which your Honourable Court have directed to be adopted would require, consequently much must be directly delegated or indirectly left to native artificers and servants, whence, of course, great delay in time, much waste of materials and abuse in expenditure must arise, highly injurious to the public service and detrimental to the reputation of the engineer

engineer corps, and there is reason to apprehend that these causes have led to a much greater expenditure by this Government, under the head of "Public Buildings," than would otherwise have occurred or will happen again.

5th. The paucity of officers of experience to perform and superintend the duties of executive engineers, had unavoidably led to the appointment of young officers to fill that responsible station, who, from their recent arrival in the country, could not be expected to possess experience in, or practical knowledge of, their profession, and whose very deficiency in the coloquial languages of the people, whose operations they were required to direct, want of acquaintance generally with their character, and ignorance of the customs of the country, as well as of the description and cost of the materials required, led frequently not only to unnecessary expense being incurred, but also to the works entrusted to them being of an inferior and unendurable character.

6th. The amount of expense to be incurred for the pay and establishment of an executive engineer at some stations (where attention to the system ordered by your Honourable Court would require one being employed), would itself exceed the whole annual outlay of expenditure in the works they may have to execute.

7th. Experience has proved that under this Presidency the system of carrying on public works by contracts, under proper control, is highly advantageous; but it of course militates so much against the interests of the people on the permanent establishment of the local engineer, that it becomes their interest to throw obstacles in the way of respectable men coming forward as contractors.

8th. It must however be observed that it never was contemplated, where *science* was required, to employ other than officers of the engineer corps.

9th. It is on scientific works alone, such as fortifications, bridges, &c. that their abilities and superior knowledge can be shown, or are indeed required, and in superintending efficiently their construction there is ample employment for the present engineer establishment, supposing (as must be the case to ensure beneficial results) that none but officers of experience are employed executively, and that the juniors are placed under them for instruction, and as assistants, which indeed is very essential.

10th. The plan laid down in the order which your Honourable Court would seem not to approve, of transferring the erection of all civil buildings, not requiring scientific knowledge, to their respective departments, had in view the union of two great desiderata, *efficiency* and *economy*, and the records of this Government, as well as the books of our Accountant-general, will, we hope, afford satisfactory proofs to your Honourable Court, that the measure has been attended with beneficial results, both as regards economy and other objects.

11th. Besides the reasons above stated, it was supposed that the local and personal knowledge of the civil officers would suffice for the execution of the works required where the outlay was trifling, and when otherwise, Government might judge upon the reports to be furnished, to whom it should be entrusted.

12th. Mr. Romer, who to much general knowledge adds great experience in the affairs of this Presidency, remembers when all such works were carried on by the heads of departments, and he is of opinion that they were performed most efficiently and at one-third of the expense subsequently incurred.

3d. Instance a case in which disbursements on account of public works were made by a collector and magistrate to a very considerable amount, viz. rupees 1,17,688; express surprise that the whole of that sum remains on the books of the Surat collectorate to the debit of Mr. Lumsden, the officer to whom they allude, and direct that an explanation of such circumstances be furnished to them.

13th. The necessary explanations will be called for and submitted to your Honourable Court.

4th. Notice the practice which obtains at Bengal and Madras, of requiring security from executive engineer officers in various sums, proportioned to the amount of their disbursements; direct that such provision be made in the regulations at this Presidency, and that all officers entrusted with the execution of public works be called upon to give security of 10 per cent. at least, on the average annual amount of the cash advances made to them.

14th. A proviso of the nature pointed out by your Honourable Court will be introduced into the regulations.

5th. Direct

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Charge for Public Buildings; Letter from Bombay Government, 6 November 1830.

5th. Direct that in future, previous to any new buildings being erected, the opinion of the senior medical officer at the station be obtained as to the salubrity of the situation and aspect of the building.

15th. The orders of your Honourable Court on the subject of this paragraph will in future be strictly attended to.

6th. Direct that the whole of our regulations respecting public works be communicated to Bengal, in order that a uniform system be adopted, as far as possible throughout India, the work of revision being proceeded with on the principle that in each particular that Presidency be regarded as the model for imitation by the others where abuse and neglect are amply provided against, and the dispatch of business most effectually secured.

16th. In compliance with the instructions conveyed in this paragraph, we have communicated to the Supreme Government the regulations in force under this Presidency, relative to public buildings.

7th. Notice the great neglect which has arisen in not reporting to them the sums expended on account of public works at this Presidency, and enjoin Government to report to them every future expenditure, whether for new works, purchases or repairs, which shall amount to 1,000 rupees.

17th. We shall be more careful in future in reporting to your Honourable Court the expenditures that may be incurred on public works.

8th. View with surprise the amount of expenditure under this Presidency, on account of new works of various descriptions; hand up a statement of the sums laid out on new buildings for the last three years, and observe that a moderate expenditure on that account should suffice for future years.

18th. With respect to the observations contained in this paragraph, we can assure your Honourable Court that every means have recently been resorted to to reduce this branch of the public expenditure to the lowest possible scale which the exigencies of the service would admit of.

9th. Proceed to lay down rules in order to secure the observance of the necessary economy in this branch of expenditure.

10th & 12th. No new work or building, nor any alteration or repair of any old work or building, the estimated cost of which shall exceed 10,000 rupees, shall be commenced upon without their sanction, except in cases of sudden and unforeseen emergency, the peculiar circumstances of which must however be reported to them, and observe that they will hold Government responsible for the indispensable necessity of the case in which the rule they have laid down is departed from.

19th. The orders contained in these paragraphs will be obeyed in all future cases.

13th. The restriction in respect to building or repairing any new or old work, also applicable to the purchase of land or buildings.

20th. The instructions of your Honourable Court, as conveyed in these concluding paragraphs of your despatch, will be attended to in all future cases as they may occur.

14th. The progress made in constructing works, and the prices at which materials and labour have been furnished, to be reported to them every three months.

15th. Estimates of works to be transmitted to them by the first opportunity after they have been sanctioned by Government, and direct that they be prepared so far prospectively as to enable them to signify their pleasure before the commencement of the works to which they refer.

16th. All matters connected with public works to be reported to them in separate letters in each department.

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Appendix, No. 38.

Answers to Queries, relating to the Finances of India.

ANSWERS to QUERIES proposed by the Board of Control, upon Subjects relating to the FINANCES of INDIA.

LIST OF QUERIES.

I.—WHAT are the principal Causes which have affected the Revenues of India since the year 1808–9, either by the improvement or deterioration of Old, or the introduction of New Resources?

II.—What are the principal Causes which have affected the Amount of Charge in the various Departments of Indian Administration during the same period?

III.—Whether any Measures can be suggested for rendering the existing Revenues more productive, or for realizing the Revenues with more regularity and promptitude?

IV.—Whether any Measures can be suggested which would be calculated to reduce, in whole or in part, any Head of Charge falling upon the Indian Revenues, or to introduce more Economy into the Expenditure?

V.—In what Mode, and upon what Terms, has Money been borrowed in India by the Government since the year 1808–9, and what are the Advantages or Disadvantages of the Course that has been pursued?

VI.—What Number of Mints existed in India in 1809, and at the present time; what are the general Regulations of the existing Mints, and what has been, and what is now, the Condition of the various Currencies, and of the Import and Export of the precious Metals?

VII.—What steps have been taken for the separation of the Territorial from the Commercial Accounts of the Company in India and in England; and whether, and what, further Measures are required for that purpose?

III.—Whether any instances of considerable Loss or Waste have come to your knowledge during the period referred to; and is the System of Accounts, whether general, subordinate or personal, such as is best calculated to guard against Loss, to prevent unauthorized Disbursement, and to compel the bringing to account, promptly and accurately, Public Money or Stores received and expended, either by Individuals or by Departments; and whether any suggestions can be offered for improving and simplifying the existing System of Accounts?

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Answers to Queries, relating to the Finances of India.

QUERY I.—What are the principal Causes which have affected the Revenues of India since the year 1808–9, either by the improvement or deterioration of Old, or the introduction of New Resources?

Mr. Hill.

ANSWER.—THE revenues of Madras, with which only I have any acquaintance, have not, within the period in question, varied, either in their items or in their amount, to such a degree as to be deserving of particular notice.

Mr. Langton.

IN 1814, the duties on export and import in India were taken off some articles entirely and on others they were reduced to one-third and one-fourth of what had been previously levied; yet the customs, including town and transit duties, had been rather more productive since, than previous to 1814; this must have been owing to the increase of trade since the alteration, and if the expectation of a further increase of trade, from the measures which may now be looked forward to, should be realized, this branch of the revenue would improve in proportion.

The Land Revenue is said to have been collected with the greatest ease and punctuality in those districts where the cultivation of indigo has been introduced; a similar good effect may be expected to ensue more generally throughout the country, from the free admission of British capital and enterprise to the cultivation of Indian agriculture and commerce.

Mr. Wood.

IT appears, from comparing the Indian receipt and charge of the three Presidencies of the year 1808–9 with the year 1826–27, that the revenues of Bombay have increased from 63,95,303 to 2,29,91,332 rupees, caused principally by territory ceded and conquered since the year 1808–9, which caused a great increase in the receipts in the land revenue and customs. The revenues at Madras have increased from 4,60,38,979 to 4,81,83,715 rupees, and was owing to the same cause. In Bengal, the revenues have been increased from 8,47,55,042 to 12,77,63,375 rupees, partly by acquisitions, but principally by improvement of the land revenue existing in the year 1808–9.

Land Revenue of the Bengal Presidency.—The demand on account of the land-tax in 1808–9, in the Lower Provinces, was 2,84,56,804, and the amount collected 2,67,14,156 rupees, leaving an uncollected balance of 17,42,648 rupees; the demand in 1826–7 on account of the same was 2,99,50,318, the amount collected 2,66,02,508 rupees, leaving an uncollected balance of 33,47,784 rupees. The balance outstanding at the termination of both periods having been since collected, there was a permanent increase of 15,00,000 rupees, caused by a resumption of lands, granted under a life-interest, in the districts permanently settled, and to an increase in the land-tax of Cuttack, and the districts not permanently settled in 1808–9.

In the Western Provinces, which were not permanently settled in 1808–9, the demand was, in 1808–9, 2,81,59,722, and the amount collected 2,49,46,483 rupees, leaving an uncollected balance of 32,13,239 rupees. In the year 1826–27 the demand was increased to 3,78,28,865, and the collections amounted to 3,59,97,382 rupees, leaving a balance of 18,31,474 rupees. During this interval of 20 years the revenue has increased one-third, when during the same period the revenue paid by the Lower Provinces has remained the same; and the difference paid by the cultivator of the land has been realized by the zemindars or proprietors, and probably to a much greater amount than realized by the Government from the Western Provinces, when the capital annually expended in the cultivation of indigo, amounting to a crore or million, is taken into account, for the amount has been laid out in reclaiming waste lands and keeping them in the highest state of cultivation. In addition to the capital vested in indigo, the outlay on account of silk has increased since 1813 from 17,00,000 to 85,00,000 rupees, causing an increase in the cultivation of the mulberry plant in the vicinity of the silk factories. The advances for opium have increased from 8 ½ lacs to 19 ½, causing a corresponding increase in the cultivation of the poppy most advantageous, the poppy being raised by gardeners, and employing thousands of individuals in collecting and preparing the drug. The value of this branch of cultivation may be estimated by the rent of the land, which has been raised from 3 and 4 rupees to 18 rupees the beegah, which increase of rent has gone to the zemindar. In consequence of the poppy cultivation being prohibited under the leases granted in perpetuity since 1792, the Government has been enabled to realize a revenue from the land settled in perpetuity in proportion to the limited cultivation of the poppy, by the sale of the drug at a monopoly price; and the zemindar has at the same time derived benefit from the capital annually expended in the cultivation. If indigo had only been cultivated under a monopoly system, similar to the opium, and the Government had realized the difference between the price of its production and the sale price, a revenue exceeding the amount realized from the opium might have been raised from the land settled in perpetuity, for there would have been little difficulty in realizing 100 per cent. from the restricted produce. The landholder has, under the existing system, realized the profit which, if the land rent had not been settled in perpetuity, would have gone to the Government.

Under

Under the head of Salt,

The receipt in 1808–9 was		*Rs.* 1,57,00,000
Ditto	1826–27	1,87,00,000
	Increase	*Rs.* 30,00,000

The average price in 1808–9 was 371 rupees 14 annas the 100 maunds, and in the year 1826–27 the price was 419 rupees 6 annas 9 pice. It appears that the cost to the State was, in 1808–9, 35,25,208 rupees, and in 1826–27, 59,04,697 rupees. I must observe, that the Honourable Court has, on more than one occasion, directed its revenue servants to realize the revenue from the sale of an increased quantity of this necessary of life, rather than an increase of the monopoly price; but it would appear from the particulars of the sales, that the quantity brought to sale has not increased sufficiently to lower the price, or the price has been maintained by not forcing the purchasers at the sales to pay for their lots and clear them. The population has no doubt greatly increased since the year 1808–9, when the quantity brought to sale was 44,00,000, and in 1826–27 the quantity was 46,00,000, and in the three preceding years 50,00,000 maunds. Of the quantity brought to sale in 1808–9, there was a balance at the end of the year of 4,27,000 maunds, and there was a balance at the end of the year 1826–27 of 12,66,200 maunds, which would tend to prove that a less quantity was thrown into the market in 1826–27 than in the year 1808–9 by 6,41,000 maunds. It may be assumed that, the price remaining the same, individuals consume the same quantity every day of the year; and it being paid for by the consumer, the wholesale and retail sellers have no excuse for not paying for their lots and clearing them. Any indulgence shown by the Government enables the purchaser to keep back his lots, and enhance the price to the retailer.

Under the head of Opium,

The Receipt in 1808–9		*Rs.* 51,29,126
Ditto	1826–27	1,47,87,136
	Increase	*Rs.* 96,58,010

In the year 1808–9, 4,208 chests were brought to sale, and averaged 1,213 rupees the chest; the sale amounting to 51,05,740 rupees, and the cost of the drug to the State 8,62,967 rupees. In 1826–27, 5,500 chests of Patna and Benares opium were brought to sale, and averaged 1,218 rupees the chest; the cost to the State was 19,79,561 rupees, and the sale amount 67,31,195 rupees. The number of Malwa chests sold in Calcutta was 1,500, and averaged 1,418 rupees the chest, yielding 21,28,000 rupees. The number of Malwa chests sold at Bombay was 2,980, averaging 1,469 rupees the chest, which realized 42,79,604 rupees. Had a portion of the capital expended in the cultivation of the opium in Malwa been advanced for the production of the drug from our Western Provinces, equal to their capabilities of production, at the Malwa prices, the zemindars of our own districts would have benefited instead of the zemindars of Malwa, and our revenues would have improved in proportion.

Mr. Mackenzie.

The Revenue has been considerably increased by war or through negociation. The war with the Goorkhas, commencing in the autumn of 1814, and brought to a termination in the spring of 1816, gave us, in complete dominion, the province of Kumaon, a portion of Garhwal, the valley of Dhera, with the adjoining mountainous pergunnahs of Jounsar and Bawar, and some other inconsiderable and detached portions of the country lying within the skirts of the Himala, and between the rivers Jumna and Sutluj. It placed under our protection, with the obligation of a light tribute, the territories of several Hill Chiefs, occupying the remainder of the mountain tract between Kumaon and the Sutluj *, and possessing an inconsiderable portion of the plain country east of that river. We likewise acquired the undisputed possession and disposal of a long line of forest and pasture land; important, as it enabled us to settle the boundary of our dominions, but little meriting our attention on the score of finance, excepting that a part of it, with a pergunnah, Khyragurh, formerly belonging to Rohilcund, was accepted by the sovereign of Oude in lieu of a crore (10 million) of rupees borrowed from him during the war. The whole of those acquisitions, indeed, can never be financialy of much importance, excepting in so far

* Kahloor, or the trans-Sutluj possessions of the *Belaspore* Rajah, are not, I believe, under our protection; our interference there being barred by treaty with Runjeet Sing. How far Kunawar, or the country belonging to the Bussahar Rajah, which extends to the N. W. of the Sutluj, amidst and beyond the mountains covered with perpetual snow, is in a like predicament, has not, that I am aware of, been formally determined. Nor is the point, perhaps, of much importance, since the people who repulsed the Goorkhas from the very banks of the river, are not likely to stand in need of aid against any other enemy, even if their country, the wildest and most inaccessible probably in the world, could feed one.

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far as they have added (and they have greatly added) to the security of our other possessions, or have enabled us to facilitate commercial communication with Tartary. The negociations and hostilities with the Mahratta and Rajpoot states, on which Lord Hastings was engaged from the summer of 1817 to the spring of 1819, and the arrangements adopted by him for the settlement of Central India, after it was cleared of the predatory bands who are known under the name of Pindarees, resulted in a large accession of territory and revenue to Bengal and Bombay, and in the addition of considerable tributes to the resources of the former Presidency. In this administration, too, the settlement of Singapore was established, affording, doubtless, a very useful emporium for the trade of India and England, and which, with due economy, ought not to cause any burden upon the finances of either country. To the above I ought, perhaps, to add the purchase from the Nizam of the Peshcush which the Madras government used annually to pay on account of the Northern Sirkars, amounting to about 6,00,000 rupees.

The war in which Lord Amherst's government engaged with the Burmese, also added largely to the extent of our dominions, with comparatively little addition, however, to the Revenue; and a small portion of the charges of that war has been met by a contribution from the enemy of about a crore of rupees, since gradually liquidated.

Though I have not the means of stating the amount collected from the several acquisitions above mentioned so accurately as can easily, I imagine, be done by the officers at the India House, yet it may be useful, in facilitating inquiry, to specify the particular districts thus added to the British dominion.

To Bengal.—By the Goorkha War:
Kumaon,
Dhera Dhoon,
Jounsar and Bawar,
Sabathoo and other villages between the Jumna and Sutluj,
Tributes of Hill Chiefs.

By the Mahratta, and by the Pindaree War, and consequent arrangements:
Saugur and the Nerbuddah territory,
Sumbhulpore and other pergunnahs on the N. W. frontier of Bengal,
Khandah in Bundlecund,
Ajmere and part of Mairwarrah.
Part of Nimar,
Bairsea and Shoojawulpore.
Tributes—Jyepore,
Joudpore,
Oudepore,
Boondee,
Kotah,
Pertabghur,
Rutlana,
Banswarra,
Doongurpore.

By the Burmese War:
Assam,
Arracan,
Ultra Irrawaddy territories.

To Bombay.—By Negociations and Conquests preparatory to, and consequent upon, the war against the Pindarees and Mahrattas:
Various territories and rights in Goozerat,
Northern Concan.
Southern Concan,
Kandes,
Ahmednuggur,
Poonah,
Dharwar.

To the above I should perhaps add Malacca, Chinsurah, and some other inconsiderable possessions which we acquired by treaty with the Dutch, getting rid of Bencoolen.

2dly. The revenue has been considerably increased by escheats and the lapse of tenures held under temporary grants or leases, free of assessment, or subject only to a light quit-rent.

Under this head I place *Hatrass*, in the district of Alygurh, which was forfeited in 1817 on the rebellion or rebellious resistance of its Talookdar; also pergunnah *Goverdhun*, annexed to the district of Agra on the death of the late Rajah of Bhurtpore, and our consequent interference in the affairs of that state. The former, indeed, who paid a quit-rent, was always properly liable to the ordinary jurisdiction of our courts; and his tenure, like those of several other Talookdars or renters in that part of the country, would, at any rate, have been subject to assessment at his death. The latter was, I believe, held by the Bhurtpore Prince in virtual sovereignty, at least without any interference on the part of our local authorities, but was considered to have been held under a life tenure only. At various times

times during the period in question, villages belonging to petty chiefs among the protected Sikhs who occupy the country to the north and north-west of Dihlee, between the Jumna and the Sutluj, have lapsed to the British Government, in consequence of the demise, without other heirs, of the late possessors. They are under the charge of the political agent at Umbala.

Many tax-free tenures, within our ancient possessions, have also fallen in and been added to the rent-roll; and various farms have expired with a like addition to the revenue; the detail of which can only be ascertained with accuracy by a particular examination of the *Revenue* Accounts. And I may take this opportunity of observing, that the *Financial* Statements hitherto submitted to Parliament do not appear accurately to exhibit the effect of territorial arrangements: separations and annexations of districts occasioning a rise and fall in the collections brought to credit under the heads used by the financial officers, without there being really any corresponding improvement or defalcation in the resources of the provinces specified.

3dly. The improvement of the country, by which I mean extended tillage, enlarged commercial dealings and augmented population, appears to have occasioned an increase of receipt in all branches of the revenue that admitted of increase.

4thly. The increase in the revenues may doubtless be in some degree ascribed to the enactment of better laws, and to more efficient management, as experience has pointed out defects.

5thly. There has been some additions made to the burthens of the people directly, as in the case of new Stamp and Custom Duties, (the latter branch being however chiefly remarkable for the abatements made in favour of English trade,) and indirectly, as through the rise in the price of salt.

6thly. The great increase of the demand for Opium in China has considerably augmented the receipts drawn from that source, notwithstanding a greatly enlarged supply of the produce of Turkey, and the more formidable competition of the now tranquillized country of Malwa.

It does not now occur to me that there has been any deterioration of old, or any introduction of entirely new taxes, during the period in question, sufficiently important to merit notice here; unless the taxes levied in the Madras territories on the profits of trade, and on the professional income of various classes, under the names of Versaluddy and Moturfa, can be reckoned such.

QUERY II.—What are the principal Causes which have affected the Amount of Charge in the various Departments of Indian Administration during the same period?

Mr. Hill.

ANSWER.—THE remittance constantly required from India to England on the Government account is a disbursement for which India receives no return, and may be regarded in the light of a national tribute. To that remittance have to be added the funds required for the use of private individuals, for which, in the same manner, no return is made to India. The total amount of this tribute is so large that the payment of it requires to be facilitated as much as possible, both by fostering the resources of India, and by promoting a demand for her products on the part of other countries. If this great duty be not attended to in both its parts, India may come to be unable to satisfy the exactions of England. Whatever augments the surplus produce of the country will enable it the better to bear the burden we have laid upon it. This should be done, first, by every practicable measure directly tending to its prosperity; secondly, by economy in its public expenditure; and thirdly, by assistance in its foreign trade. It is contrary to the last of these three branches of policy, to favour by our laws the export to India of articles with which she is able to supply herself, or to discourage the export from India of articles with which she is able to supply other countries. We have, in a great measure, succeeded in supplanting her cotton manufactures by those of England. I understand that the practicability of supplying her with salt from Liverpool is under consideration. We exclude East India sugar from the English market by means of high duties. If, in addition to all these disadvantages, any change of system were materially to diminish the tea trade from China to England, by means of which China is enabled to pay for the opium and cotton which she imports from India, it is probable that the demand for those articles would be proportionally reduced, and India would then be disabled from paying its tribute to England.

Mr. Langton.

UNDER this head of inquiry, I venture to remark on two items of charge, which merit particular attention, both from their magnitude and from their being the principal cause of that difficulty to which the 10th and 11th heads of inquiry relate. The first, which extends through every department of government, is the extravagant scale of remuneration to functionaries of every class; the second is, the pay on furlough and retirement, and the retiring pensions and allowances for length of service in all departments: the latter is a rapidly increasing charge, and both appear to be susceptible of being materially reduced.

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Mr. Wood.

ALTHOUGH the Bombay receipts have been considerably augmented, the charges at that Presidency have increased out of proportion to the receipts, for the deficiency in 1808–9 amounted to 1,20,79,630, and in 1826–27 to 1,26,12,987 rupees, and a portion of the charge for interest, amounting to 26,00,000 rupees, was transferred to Bengal, which, if added to the deficit of 1826–27, would amount to 1,52,12,987 rupees. The increase occurs in the Civil to the amount of 88 ½ lacs; and if interest charged in 1808–9 be taken into account, to 117 lacs; and in the Military to 83 lacs. At Madras, although the receipts were augmented, the charge increased out of proportion, for the deficiency, which in 1808–9 amounted to 15 lacs, increased in 1826–27 to 36 lacs; and if a portion of the charge of interest on the debt, transferred to Bengal, be added to the deficiency, amounting to the difference in the charge of interest in the two years, it would increase the deficiency to 67 lacs. The increase in the Civil charge, after allowing for the difference of charge for interest, amounted to about 12 lacs; and the increase in the Military to 45 lacs. The total of the debt bearing interest on the 30th of April 1809 at the three Presidencies, amounted to 24,33,30,220 rupees; and on the 30th of April 1827 to - - - - - - - - *Rs.* 29,75,38,029

And the charge on account of interest in 1808–9, was - - -	1,95,84,320
And in the year 1826–27 - - - - - - - -	1,61,18,290
	Rs. 34,66,030

And the difference has been caused by the interest being reduced from 10, 9, 8, and 6 per cent., the rate of interest the debt carried in 1808–9, to 8, 6, 5, and 4 per cent., the rate of interest the debt carried in the year 1826–27. Since the year 1808–9, the interest, which at that period, with a large proportion of the principal, was payable in cash in India, or bills on the Home Treasury at the exchange of 2 *s.* 6 *d.* the sicca rupee (the then value of the rupee in English currency), at the option of the holder, has since been made payable in cash only, with exception to a portion of the debt, amounting to 7,72,00,000 rupees; the principal of which is payable in England, at the exchange of 2 *s.* 6 *d.* the Calcutta sicca rupee, and the interest at 2 *s.* 1 *d.*, at the option of the holder. The remainder of the debt is only payable in cash, excepting under the indulgence of the governments, which has recently been withdrawn. The debt between the years 1808–9 and 1813–14 was gradually reduced from carrying an interest at 10 and 8 per cent. to the rate of 6 per cent., by taking advantage of the Government credit and the balances in the Indian treasuries; and in the year 1822–23, the same circumstances admitted of paying a portion of the principal, amounting to about four crore, and reducing the interest from 6 to 5 per cent. on about nine crore of the debt. On the breaking out of the Burmese war, the Government borrowed a portion of its debt at 4 per cent., and subsequently, on money becoming more scarce, raised money at 5 per cent. Since the year 1808–9, many facilities have been afforded the European and Native public of receiving the interest on the debt through the medium of the treasury officers at the three Presidencies, at a trifling charge; and without their aid, from any treasury in the country; and although these facilities have not been made sufficiently known to the native inhabitants, from the orders of the Government not being sufficiently explained, yet the natives throughout the country have become more familiarized with the loan operations; and as their confidence increases, their habits of hoarding may be expected to give way, and their capital to be made available in times of difficulty and offensive warfare to the Government. As every holder of the loan paper must of necessity be attached to the Government to whom he looks for the payment of the loan, and as our rule in the East must be strengthened by having the debt distributed rather amongst the Native than the European creditor, every facility should be given in the payment of the interest, and from the treasuries throughout the country; and, in my humble opinion, as few changes as possible should be effected in the rate of the interest, for every change causes inconvenience to the holder of stock. The Government loans to an individual in the habit of hoarding will be valued more with reference to their permanency than to the rate of interest they carry. The hoarder, if disposed to give himself the trouble of superintending the management of his money, may, by lending to others on security, at all times secure a much higher interest than the loans will yield, and of course than he is ever likely to obtain from any change in the money market, and their habits of hoarding can only be surmounted by making the Government treasuries, through the debt, an available deposit for their savings. Much of the success of the loan operations, during the Burmese war, may be attributed to the treasury officers of the three Presidencies being placed in communication with the native capitalists, and the confidence reposed in the Government. There was great distress amongst the mercantile community, and the Government afforded them aid, which but for the success of its loan operations would have been impossible. By withdrawing from the money market no more than was required for the current disbursements, the rate of interest was kept down to 5 per cent. I have not the means of going into the details of increase and decrease of the receipts and charges of the Presidencies of Fort St. George and Bombay, without a reference to the particulars of the establishments since the year 1808–9; and the labour of such an investigation would occupy months of unceasing attention, which the Committee must be aware would take more of my time than I can conveniently spare, and I hope may be pleased to excuse. With the accounts of the Bengal Presidency I am more familiar, and beg to refer to my own reports, which will afford all the information in my power on the principal heads of receipt and disbursement, by comparing the receipt and charges of the year 1808–9 with the receipt and charges of the year 1826–27, the last report furnished by me previous to quitting India.

The

The increase in the charge of the debt at Bengal in the year 1826–27, from 1,22,27,201 to 1,41,42,153 rupees, its amount in the year 1808–9, was caused by the transfer of the debt from Madras and Bombay, amounting to 2,25,71,675 rupees, and the sums raised since that period having been funded in Bengal. But for these transfers the charge would have been less, and the amount of the debt more. The total of debt on the 30th of April 1809, bearing interest at the three Presidencies, was 24,33,30,220 rupees, which carried an interest of 1,95,84,320 rupees, and the total of the debt on the 30th of April 1827, bearing interest, was 29,75,38,029 rupees, and it only carried and interest of 1,61,18,290 rupees. In the year 1808–9 the debt carried an interest of 8 per cent. with exception to a debt of 86 lacs at 10 per cent., and the Treasury notes at 6 per cent. In the year 1826–27 the debt only carried an interest of 5 per cent., with exception to 7 ½ crore at 6 per cent., and the Treasury notes at 5 per cent.

There was a surplus in Bengal, in the year 1809, of 1,52,75,280 rupees, and in the year 1826–27 a surplus of only 42,04,208 rupees, leaving a deterioration of 1,10,71,082 rupees. During this interval the Military expenditure has more than doubled, and the Civil, after deducting the charge on account of interest, has increased about one-twentieth. The receipt during the same period, after deducting the tribute from Ava, has increased about half the amount in the year 1808-9.

Mr. Mackenzie.

FOR a detail of the measures that have occasioned the very large increase which has occurred in the charges of the Indian Government, I must necessarily refer to the statements prepared by the officers of audit and account; confining myself to such general remarks as may seem likely to be useful.

I need not advert to establishments actually employed or stipends payable in our new acquisitions, nor to the interest of the public debt, which follows, though happily at a reduced rate, the increase of the principal; in so far at least as that represents money actually borrowed.

The public establishments at the Presidencies must have been expected to become more chargeable (the nature of the agency remaining the same) in proportion as our empire has extended in size, or in the number and wealth of our subjects, and as other establishments controlled by them have been increased, whether with increase of receipt or increase of expenditure. And the business in which Europeans are concerned, and which requires generally more expensive agency than that of natives, has especially augmented since the last Charter Act.

Durbar charges and other expenses incurred by the Governor-General and Governors, and by those immediately attached to them, seem to have increased chiefly in consequence of the progresses which at all the Presidencies it has been thought expedient for the heads of the governments to make in the interior of the country under them. New and more complex political relations have caused the appointment of new agents. The church establishment has been largely added to. There have been various new calls upon the Government for support to charitable institutions, which have much multiplied; the claims of the poor, the sick and the ignorant being in India, as in England, more liberally considered, or being at least more extensively met through the operation of societies than they used to be. The education of the people, still miserably defective, has been better provided for. A liberal allowance has been given to a fund established for the purpose of providing retiring annuities to civil servants: surveys and public works have been undertaken on a larger scale. The number of young civil servants attached to the college has of late years been greater than formerly. The irregular troops charged to the Civil Department (general branch) were largely increased. It may be proper here to observe, that I speak now of what was done before that system of active retrenchment, which the present Governor General has been pursuing with a zeal that cannot be surpassed, had commenced.

The Board doubtless possesses a much fuller detail of the reductions that have been effected, and are contemplated by the several Governments under that system, than I could pretend to give, even were I to confine myself to Bengal, and to the period of my stay in India; and will naturally have caused the necessary statements to be prepared. I shall only therefore remark, that the effect must, I conceive, be an increase in the local surplus to a much greater extent than has yet been anticipated in the evidence taken by the Committees of Parliament, and that it seems to be very desirable to obtain from Bengal, the actual accounts of the present year, and a careful estimate for 1832–33, as soon as possible.

To return to the question, as to the causes which have occasioned increase of charge. There is, I apprehend, in all departments of all governments, when not forced the other way by some special pressure, a constant tendency towards new and additional expenses, which it is exceedingly difficult to check; and the constitution of the Indian Government, and the way in which it conducts its business, are not, I think, such as to apply any very efficient check; nay, depending as it does mainly upon the reports and statements of its executive officers for information of what they do, every effort it makes to control with more knowledge, is itself an occasion of expense. In the Revenue Department, the per-centage which the charges bear to the gross receipts must of course depend greatly on the facility with which the amount required can be collected. A rich government, if tolerably honest, will naturally discontinue taxes costing much to collect. On the other hand, a government pressed for money, to pay its army and civil establishments and debt, must look to the *amount* of the net revenue, rather than to the *proportion* which it bears to the gross collection. In such circumstances, 10 out of 12 may be thought better than 9 out of 10, although in the first

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first case the charge is 1-6th, and in the latter only 1-10th. And, unfortunately, the Indian Governments have generally, very brief periods of prosperity excepted, been or thought themselves to be in this predicament.

Land Revenue and Sayer.

The Land Revenue of the permanently settled districts might certainly be collected for a mere trifle: for less than the per-centage of commission which the collectors themselves received on the excise and other miscellaneous receipts of their respective districts. It has always indeed been collected more cheaply than those miscellaneous items of revenue; and therefore, in proportion as the receipts from those items increased, the per-centage of charge necessarily increased also, until a limit was put to the commission receivable by the collectors, or (as has been done with doubtful policy) a fixed salary was given in lieu of all other allowances. Besides this, I should state that, in proportion as the retail sale of opium has been extended, the Abkarree Department has had to bear a new and comparatively heavy charge in the price of the drug transferred from the Opium Department, which can scarcely be reckoned among the charges of collection. But further, collectors have been required to hold much more elaborate proceedings than formerly in the settlement of the Government demand. They have also been required to do many things that have no necessary connection with the business of collection; they are judges or referees in many private suits; they divide estates and apportion the Government demand among coparceners; they investigate claims to rent for lands and pensions; they inquire into, and in the first instance decide various other cases between Government and individuals. It was hoped, that they might have established such a system of accounts relative to land and its rents, as to redeem and preserve much of the knowledge necessary to the protection of the agriculturists, and with that view and for the preparation and preservation of good records, expensive establishments were entertained. In many districts (at Madras and Bombay in all) collectors are also vested with the charge of the police, and with certain powers for the punishment of criminal offences; and for the purpose of securing the better execution of the above and other duties, the number of collectors and the strength of their establishments were considerably increased, while at the same time the constitution of the superior Boards was modified, their powers enlarged, and their numbers added to, in the hope of enabling them not merely to superintend with more efficiency the collection of the revenue, but also more carefully to investigate and weigh the private interests which their acts affect. In the Delhi territory especially, the establishments have been greatly increased along with the increasing population and revenue, and the gradual introduction of a more regular system of administration. Hence has resulted a great increase in the charges brought to account, under the head of Land Revenue. Under this head also, is charged the expense of works for the improvement of inland navigation, and that of canals, for carrying water to arid countries, and that of embankments, whether designed to protect the country against mischievous floods, or to gather water in ponds or lakes for the purposes of irrigation, and all these items, with others probably of a like nature, which escape me, will be found to have contributed to swell the charges. In the Revenue, as in other Departments, too, a considerable increase of charge will, I imagine, be found to have arisen from the construction of public buildings; the offices of all collectors being now, with few if any exceptions, held in houses built at the Government expense.

Mint.

This cause must especially have swelled the charges of the Calcutta and Bombay Mints, expensive buildings having been erected for the reception of very costly machinery sent out from this country. Most of the other mint charges depend on the extent of coinage, the fixed establishment being restricted to what is thought always necessary to be maintained, and the items of stores expended and waste incurred, like that of temporary labour hired, varying of course with the quantity of metal subjected to mint operations. At Bengal the mint charges must have varied considerably from other causes, for in the period in question several changes in the mint regulations have been made. The Furruckabad mint has been abolished, but a new mint, designed to be temporary, was established at Saugor. The establishment of the Benares mint, since wholly abolished, was increased by the appointment of a separate office of assay, once very strangely combined with that of the mint master. The salary of the mint master at Calcutta was increased, but the office has since been united with that of superintendent of stamps; an arrangement calculated to effect considerable saving. The subordinate establishments have been considerably added to.

Post-office.

Of the increase in the Post-office charges, as in the collection, a part is nominal; various establishments entertained by political agents in foreign states, what were formerly brought to account in the Political Department, being now transferred to their proper head.

Stamps.

In the Stamps also, though the charges on account of commission and the purchase of paper, which last might stricly perhaps be regarded as an abatement of the tax, have necessarily increased with the increase of receipt. A portion of the exhibited charge, as of the income, may be deemed to be merely nominal; it consists of sums collected from suitors in lieu of the old institution fees, and paid to the native judges (at one time the register of the zillah courts were remunerated in the same way) by whom the cases were decided. Of late years European water-marked paper has been used more extensively; and the number of venders in the interior will be found to have been multiplied not only for the purpose of adding to the revenue, though at the expense of a higher rate of charge, but also from the necessity of bringing stamps within reach of the people in remote and less productive places.

Customs.

In the Custom Department the principle I have above alluded to as necessarily influencing a poor or spendthrift government, viz. that of seeking an increase of net revenue at the expense of an increased rate of charge, is likely to operate with particular force, and our system of custom law at Bengal is such as could scarcely fail to produce the same effect under any circumstances. In 1810 a general scheme was adopted (under Regulation 9, of that

that year) of which the main features were these: 1. That inland duties should only be levied on the articles specified in the law. 2. That the duties should be collected and passes granted only at the head offices where there were European collectors. 3. That the subordinate posts, the transit through which infers the obligation of paying duty, should as far as possible be confined to the vicinity of those head stations. 4. That a pass granted at one custom-house should cover the goods specified in it in their transit throughout the provinces. 5. Duties varying from 5 to 10 per cent. (on imports on foreign ships the rates were 10 and 20) were imposed on all goods imported by sea; which having paid that duty had then a free transit in the interior. 6. Goods which had paid the inland transit duty were generally passed free, or with a partial drawback if exported on a British bottom, exports on foreign bottoms being subject (Regulation 3, 1811) to such charges as that the amount of inland or export duty collected and retained, should always be twice the sum taken on similar articles exported on British bottoms. In 1815 and subsequently, extensive abatements of the import customs and enlarged drawbacks from the inland duties, were granted in favour of the trade with the United Kingdom. The first and second of the above stated provisions have been maintained, and (if transit duties be at all levied) may perhaps be deemed unobjectionable, excepting that the second implies the employment of European agency in a manner and to an extent scarcely to be defended; the *third* provision, never properly applicable to the traffic which crosses the extensive champagne countries west of Benares, has every where been more and more departed from, as the necessity of guarding new routes, or routes newly brought under observation, has from time to time been suggested; the *fourth* provision operates of course to extinguish the relation which under a well regulated local consumption duty would be found to exist between the extent of the trade passing through particular tracts and the amount of duties realized by the custom duties established therein. Thus for example, of the customs levied on the salt consumed within the whole of the Conquered and Ceded Provinces and Benares, probably more than 39-40ths will be found to be collected by the Agra and Delhi establishments, and so of other staples; and though in some respects the rule is advantageous to the merchant who has to pass through the limits of many custom-houses, yet its tendency seems to be to enhance considerably the per centage of charge, both because it subjects the local trade of particular tracts to an excessive and therefore often evaded duty, and because the goods though free of duty are still subject to examination and search.

The great enlargement of the trade between England and India, and the alterations which the duties and drawbacks established by the fifth and sixth provisions, have undergone since 1815, must have still more importantly affected the relation of receipt and charge. A very large increase in the establisment of the Calcutta custom-house was quite unavoidable to meet the fair expectations of the mercantile body; the same circumstance rendered it necessary to strengthen the authority of control; and of course the exemptions and abatements granted in favour of the trade with England, without essentially affecting the work to be done, prevented that increase of revenue which would have followed increase of traffic. Drawbacks I need scarcely say, while they reduce the Government receipts, add much to the labour of its officers and increase expense. I should perhaps add, that I think the increase of establishment has been carried rather too far; and especially the employment of Europeans. But I have little or no doubt that frauds prevail now much less than they once did; and that if we could ascertain the sums paid upon smuggled goods when the fair trader wanted the facilities now afforded to him, and when comparatively few checks were imposed, we should find that the proportionate amount levied from the public (if bribes and sums paid to smugglers be reckoned such) exceeded the present rate.

Salt.

In the salt department the measures taken for the better prevention of smuggling, for the prompt decision of charges of illicit dealing, and for the increased supply of salt from the Bengal and Cuttack agencies, have occasioned an increase of establishment, and consequently expense. In almost all the salt districts too, it has been found necessary to increase the price paid to the manufacturers, either on the ground of a rise in the necessaries of life, or a comparative scarcity or dearness of fuel, or simply on the representation that without smuggling they could not live on their earnings. And the revenue of Bengal has been saddled with a charge of 4,00,000 rupees as compensation to the French. In the Opium Department the necessity of greatly increasing the supply in order to meet the competition of Turkey and Malwa, has similarly operated to enhance the charges; and at one time they were considerably increased by the rewards given to informers and seizures of illicit opium, but this I believe has now been stopped, and generally smuggling both of opium and salt has I conceive been checked. In the judicial establishments a considerable increase must have been expected as a necessary consequence of increasing population, of the subdivision of landed property, yielding in the permanently settled districts a large net income to the persons who have contracted to pay the Government quit-rent, and of the position in which our arrangements have left those persons relatively to other classes connected with the land; and this cause of increased expense, which could only be counteracted by having recourse more largely to native agency, though that has been done extensively, will accordingly be found to have operated through the appointment of new courts and additional judges: gaols and court rooms also have been expensive. I need scarcely advert to the increase of the military establishments, which has of course been long and prominently presented to the attention of the Board, as one of the main causes that have affected our Indian charges. Nor can it be necessary to mention the important item of stores furnished from Europe, which have for some years past been included in the Indian accounts of Revenue and Charge.

Opium.

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It may not be useless to observe, that among the Civil Charges contained in a printed Statement dated the 17th March 1830, there is a considerable item entered as the "*Pay of Troops as per Treaties*," which I suspect to be erroneously charged, if, as I imagine, it refers to the Scindia contingent, our advances for which are recoverable from that State.

In the above, and in all these remarks, I would be understood to refer chiefly to Bengal. In regard to Madras and Bombay, the Board has other means of acquiring more accurate information than I can hope to offer. In respect also to Penang and to the other subordinate settlements, I could do little more than refer to causes of expense which have been already fully exposed, and no longer, I hope, exist.

QUERY III.—Whether any measures can be suggested for rendering the existing Revenues more productive, or for realizing the Revenues with more regularity and promptitude?

Mr. Hill.

ANSWER.—THE Madras revenues have been realized with surprising regularity, and without any want of promptitude. The best means of preventing them from falling off, is not to tamper with the main sources from which they are drawn: the best means of rendering them more productive is to promote the prosperity of the people.

Mr. Mackenzie.

I HAVE little hope of being able to suggest anything of much use under this head; looking merely to immediate effects. In the Land Revenue we should look to equalization rather than increase. The Custom Revenue might, I think, be unobjectionably raised by imposing new and additional duties on metals imported by sea—copper, spelter, tutenague and tin especially, would yield a very considerable increase. Wines and spirits, and several other articles might also, I conceive, be properly subjected to a higher rate of duty, and the tax should, I think, as far as possible be fixed upon quantity (different descriptions of goods having different rates), and not be left to vary *ad valorem*. Stamps might be extended to the Delhi territory, and to other districts not yet subjected to the law; but I would except always the stamp required for plaints and petitions. A few articles of luxury might possibly be taxed without any serious objection; but the habits of the people are still comparatively simple; and although of tobacco the consumption in Bengal must be immense, and a moderate rise in the price of the article might not be seriously burthensome, yet no scheme that has been suggested for subjecting it to a general tax could, I apprehend, be put in operation without so much risk of annoyance, and exaction and fraud, as to dissuade from the attempt. The Mint receipts might probably be increased and the charges lessened by having one currency for all India; and by supplying copper or spelter money to take the place of the shells used in petty dealings. In the Salt and Opium Departments I confess I greatly doubt the expediency of any considerable change of system; but the supply of salt should, I think, be increased, even though there will probably be a temporary loss of income. In regard to opium, we have no choice but that of extending the supply according to the demand of the market and the competition we have to meet. In the Post-Office we should push for speed, and be moderate in our rates; the privilege of franking should cease, or be confined to a few. Looking forward to no very distant time in the history of a nation, we might, I think, increase the wealth of the country or secure a better distribution of it, and consequently raise more revenue, if wanted, by all or some of the following measures: By a settlement of the amount to be paid by the owners of land for a long term of years, the assessment being so adjusted as to leave them a valuable property in the surplus rent beyond the Government demand; and with a survey and record such as to remove all doubt in regard to the subject-matter of the settlement; by encouraging the settlement of Europeans and the children of Europeans, and the application of their energy, skill and capital to agriculture; by educating the Natives to European knowledge and habits; by admitting Natives to a larger share in the advantages of office; by constant, but gradually urged efforts to give a more popular character to the administration of the country; by a liberal but economical and strictly watched expenditure, in facilitating internal intercourse; by removing all artificial impediments to the extension of trade in India, or between England and India; by abolishing the usury laws in India; and providing generally a good system of mercantile law, and courts to administer it promptly and cheaply.

Mr. Langton.

A REDUCTION of high duties is generally found to increase revenue by favouring the increase of consumption, both of the article on which the duty is reduced and of other taxable commodities. The Indian import and export duties are low, but the town and transit duties are both high and unequal in their operation; the total abolition of all such would tend greatly to increase consumption, and a moderate increase of the import and export duties to compensate the falling off in the revenue from the abolition, on the present scale of consumption, would eventually produce a great increase in the revenue.

On various grounds this measure is to be recommended:

1st. From the numerous officers employed in the collection, the productiveness to the revenue of these duties bears a smaller proportion to their drain on the means of consumption than higher direct duties at the place of importation would do.

2dly. More than the legal duties are frequently exacted, with little danger of detection to the officer, as it is known that from distant stations few complain or seek for redress. Of this

this excess of charge, it is obvious that nothing will go into the public coffers, and nothing but the entire cessation of these duties can secure the small trader from such unjust exactions.

3dly. Further impediments to consumption, without benefit to the revenue, are, the vexatious delays incidental to the system, and the injury done to merchandize from the repeated opening and examining packages, which is often done to obtain fees and gratuities.

As connected with the latter part of this Query, the long retention of monies collected, in the hands of the collectors, may be noticed. A similar abuse has been corrected at home, with great acknowledged advantage. In India the abuse has been carried to a much greater extent than it ever was in this country, and must have been prejudicial, not only to the State, but also to individuals. The State has incurred a loss in interest on the amount thus kept back, and for the whole period beyond which the collected revenues might have been transmitted to the treasury; and the monies so retained have been employed occasionally in mercantile pursuits, exposing the private trader, in a country where interest is so heavy, to a ruinous competition against funds burthened with no interest.

Defalcations also have resulted from the practice, probably in more cases than have become known, and * disgraceful advantages are said to have been drawn from the retention of such collections, of which it might be dangerous to speak more particularly, as the cases are perhaps not susceptible of proof, and the reports may be calumnious; but the existence of such reports, true or false, is a strong ground for altering the practice and for withdrawing the temptation and the opportunity.

Mr. Wood.

I AM asked if any measures can be suggested for rendering the existing revenues more productive.

The revenues of the Western Provinces and Ceded Districts may be expected to improve as the population increases, and the land becomes more cultivated. Nothing will more contribute towards their improvement than long leases, and encouragement to the cultivators of indigo, sugar, opium, and other articles of export calculated to yield a return for capital vested in their production, and to remunerate the landholder for bringing waste land under the plough, and improving the system of cultivation of the land already broken up. It must take time, and improvement must be allowed to go forward, before the Government raises its rent; and more permanent gain will be realized by waiting the result of improvement under leases of 10 years' duration, than by anticipating the gains likely to accrue from prolonged leases, and driving a hard bargain with the present occupiers of the land on the condition of allowing their existing leases to be extended for a period of 10 years. Great judgment should be used in making the settlement of the Land Revenue, and the most experienced servants should be employed; and they should not be praised so much for enhancing the rent (as I fear may have been too often the case) as for making a fair and reasonable settlement of the Government claim, which will admit of the landholder realizing the rent without resorting to the sale of his cattle and property. In the districts not permanently settled, the increase of the revenue should be sought from the land rent, and not from any custom duty laid on the produce.

In the Lower Provinces, which have been settled in perpetuity since the year 1792, when they were in a very uncultivated state, the Government can only raise an additional revenue, by continuing the monopoly of opium, salt and saltpetre, which the landed proprietors are not entitled to produce under the terms of their leases; and by levying a duty on the produce of the districts when passing beyond the limits of the land settled in perpetuity, into the districts not enjoying a like advantage, and on the exports by sea. There can be no equitable reason why the zemindar, who pays no rent for his land, should be allowed to export the produce of it into districts where the State exacts a heavy land rent. * If the State levies a duty on grain, indigo and sugar, the produce of the Bengal districts, when passing into the Western Provinces or seaward, it will not probably change the circumstances of the cultivator or labourer of the districts where the State exacts no land rent. He is now obliged to pay the zemindar the surplus produce, over and above what is retained for the expenses of cultivation, and this will be continued to be received whether the duty is levied or not. If a duty is levied, it will enhance the price of the produce, and this will operate as a premium to encourage the cultivation of the Western Provinces and Ceded Districts. In addition to levying a custom duty on the exports of the districts permanently settled, a gradual increase of the stamp duties may be made to tax the landholder of the Lower Provinces; but any change of this nature must be gradual, so as not to excite alarm and opposition.

The Government of India is prohibited from levying a duty on the principal articles of export to Great Britain, and on this portion of the produce of the Bengal provinces, under the existing system, established for the benefit of Great Britain, the Government has no means of taxing, and it may be admitted, that India is made to pay a tribute to England annually to the amount of its duties levied on the imports from India, which do not probably amount to less than 700,000 *l.* If the prohibition were withdrawn, the Government in India would have the power of raising a revenue equal to the amount levied in England. If

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* Usurious interest; trafficking with and paying in an inferior currency to that in which the taxes were collected.

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If the duty on the sugar were lowered, it is probable that the consumer in Europe could afford to take an increased quantity at a lower price; and it is probable that an increase in the price in India would operate as a premium to the cultivation of more sugar, which would tend to improve the revenues of the Western Provinces, and enable the Government eventually to realize a revenue in proportion to the means of the landholder to pay the same. At the present prices there can be no great increase in the production of sugar, for the native landholder will only cultivate his land with the article capable of yielding him the highest price for his labour, and if grain will produce more than the sugar-cane, he will give it the preference.

The inhabitants of Madras and Bombay are not subject to the same salt tax as the inhabitants of Bengal; and it may be worth considering whether they may not be made to pay a duty on salt, either by establishing a salt monopoly at those Presidencies, on the plan of the Bengal system, or by levying a duty on the salt when in transport from the coast into the interior of the country.

The revenues of Bengal have been fixed since 1792; and the only way of raising an increase is by retaining a monopoly of articles prohibited under the terms of the leases, such as opium, salt, and saltpetre, and subjecting the produce of the country to a custom duty. England, to serve its own purposes, and to exact a tribute from India, has prohibited the Indian government from levying a duty upon the principal articles of export, and taxes India to the amount of the duty levied in England, amounting to about 700,000 *l.* If it were not for the prohibition, the exports to England might be taxed through the customs to the extent of the Indian deficit in times of war, without oppressing the country; for it must be kept in mind that the Government has foregone its right to raise the land-tax, since 1792, of the country producing the principal articles of export. With reference to the prohibition, and the Indian government being prevented raising an increase of revenue, it may be considered how far it may be prudent to relieve the Indian revenues of the whole, or a part, of the burden now imposed on them in England. If, in consideration of the duty levied on Indian imports, the expenditure in England, now charged to the Indian revenue, were foregone, it is probable that more economy would be observed, should the government pass from the hands of the Honourable Company to the Crown, for the public would naturally be more watchful when it had to pay the home expenses than if they were, as at present, to remain burdened on India.

QUERY IV.—Whether any Measures can be suggested which would be calculated to reduce, in whole or in part, any Head of Charge falling upon the Indian Revenues, or to introduce more Economy into the Expenditure?

Mr. Hill.

ANSWER.—IN answer to former letters which you have addressed to me, and in papers therein referred to, I have expressed my opinion that material reductions are practicable in the judicial and military charges upon the Indian revenues, and that a system of much greater economy in the public expenditure is essentially necessary.

Mr. Mackenzie.

UNDER this head I would beg leave to refer to the various measures actually in progress at the several Presidencies, and to the Reports of the Civil Finance Committee, which sat in 1829–30 at Calcutta. It will thence be seen, that charges to a great amount have been, and may be reduced; the detail would swell this paper very needlessly, but it may be right to state some leading points. The salaries of officers to be regulated by the work to be done, without reference to the individuals or classes employed, further than is necessary with the view of having good work, including in the term as respects civil government, the maintenance and security of the sovereignty of England; the consequent employment of native agency more and more extensively with liberal, though (comparatively to Europeans) moderate allowances; the restriction of high paid European functionaries (I include all judges, magistrates, and collectors of districts,) to matters necessarily requiring their interference; the full recognition of the absurdity of attempting to administer the affairs of a million of civilized men through the direct agency of one or two individuals, and those foreigners; and the practical application of the principle, that we cannot really have a civil government excepting through the co-operation of the people; the gradual exclusion of servants temporarily deputed from Europe, from all functions not necessarily confined to them, with a view of maintaining the sovereignty of England; the more general employment of individuals, in place of the agency of collective bodies; the immediate exemption of the local governments, especially the Supreme Government, from responsibility for matters of detail which they cannot usefully, and do not actually administer; the clear definition of the responsibility actually belonging to all classes of public functionaries; the appointment of a Governor General and Council for all India, with powers and duties so defined as to make him such in reality, not in name; the union of the armies of the three Presidencies under one head; the transfer of the whole to the Crown; the substitution of a part of the Royal Navy for the Bombay Marine or the Indian Navy; the better regulation of the supply of stores required by the Indian Governments; a stricter check upon expenditure in public works; the better definition of the functions of direction as distinguished from those of control; the exclusion of the controlling authorities from all patronage direct or indirect.

I should

I should suppose it likely that the purposes of economy would be promoted by the employment of the Ordnance and other national establishments, in all business connected with the Indian army, which has to be done in England in their several departments. The Island of Ceylon ought, I should think, to be part of the Indian Government; St. Helena should be a national concern; and of course the revenues taken from the people of India in virtue of our national sovereignty, should be regarded as belonging to the public purse of England, so that every saving in our territorial charges may be considered as a national saving; and every waste of our territorial resources, a waste of the public money.

Mr. Langton.

AS the means of reducing the two items of charge observed on in the answer to No. 2, a remedy, though perhaps not a very palatable one, presents itself, by the employment in office of native Hindoos, Mahometans, Anglo-Indians, and (if free settlement in India should be granted) of British settlers in every department of the government, where competent persons can be found to fill the offices. Such persons would gladly serve for salaries affording merely the means of living respectably in the station of life suitable to their respective offices; they would serve for life, or till late in life, and a small annual deduction from their salaries would form a sufficient fund to meet all demand for retiring allowances, without adding to the annual burthens.

Were this sacrifice of patronage to the welfare of India made, the measure would operate very gradually, even if every opportunity of resorting to it were embraced; and at leas 25 or 30 years must elapse before it could be carried to the extent which it might be deemed safe and prudent to go in this respect.

The relief to the finances would also be gradual, but it would soon begin to be felt beneficially, and in process of time, would both very materially reduce the charges on the Indian revenues, and do away, in a great measure, with the necessity for those remittances so exhausting to India, and for which no return in British produce and manufactures can be made.

The reduction in the rate of interest paid on the register debt of India, since 1808-9, from 8 ½ to 5 per cent., is an advantage which speaks for itself, and without which the state of the finances would be really deplorable. I am not aware of any disadvantage from the change, except that the savings and fortunes made in India can no longer be accumulated, without risk, at Indian rates. The reduction of the rate proves, I think, that the debt is in fact due to Europeans, and might without difficulty be transferred to England, reducing at same time the rate to the level of English interest, or say to 4 per cent., and giving a relief to the Indian finances equivalent to the annihilation of eight or ten millions sterling of debt. The measure, however, would probably not succeed, unless the legislature were prepared to declare this country responsible for the debt of India. It might be useful to inquire, whilst no danger threatens, What would be done for the creditors of the India debt, in the event of the country being unexpectedly torn from us?—If they would have to bear the loss themselves, the interest they now get is low enough; if they would have to be indemnified, the interest ought to be reduced with as little delay as possible.

Mr. Wood.

IT may be worth considering, with reference to the education now given to the young men at the College of Haileybury, and the advanced age of the writer of the present day, whether they may not, on reaching India, be made available for a portion of the judicial duties performed by the magistrates and judges, or whether it may not be better for the country, and more economical, to nominate one or more assistants to every judge and magistrate, than to nominate any new assistant judge, in the event of increase of business. If the assistants, or such of them as by their attention to the details of judicial business were qualified to discharge the duties of a magistrate in the opinion of the judges of circuit, were allowed to draw an addition of allowance equal to 500 rupees per mensem, in lieu of travelling and deputation allowance, their services might be made available in the interior of their districts, without any additional charge to the State; and by employing them the magistrates would be saved much time to devote to their civil causes. The assistant now receives 400 rupees per mensem, and when on deputation his travelling charges, in addition to deputation allowance of 6 rupees per diem; but he would be much more useful if at all times made available for the judicial duties of his district, were he placed on a fixed salary of 500 rupees, and his authority extended. In all departments of the service the junior servants ought to be employed in performing a portion of the duties entrusted to the heads of offices; and they should be made to understand that promotion to offices of responsibility would depend on the ability with which they perform their duties as assistants.

The receipt amounted to 6,97,791 rupees. As recommended in the Judicial, the assistants in this department may probably be made to perform much of the duties now exacted from the collectors; and if their allowances were made to depend on their attention to the details of the business of the departments, the State may be saved the expense attending the formation of new collectorships. With reference to the charge for revenue surveys, it is probable that the juniors of the service would qualify themselves to survey if the increase of their allowances depended on it; and the knowledge of surveying is so very essential to enable them to check the measurements of the natives, and estimate the value of land, that it would be economy to grant an addition of 100 rupees to the established allowance of 400 rupees per mensem to every assistant who qualifies himself to survey land.

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I am asked if I can devise any arrangements by which the charges can be reduced, and I would beg to recommend that they may be carefully revised, on the principle of bringing them to the scale that may be deemed requisite to raise the revenue to the scale of expenditure required for the three Presidencies, and to meet the home expenses chargeable to territory; and that the principle of dispensing with establishments, rather than any reduction of allowances, be followed; for I am persuaded that at present, with the greatest economy, and by saving one-third of allowances received, it will take 30 years to accumulate 36,000 *l.*, calculating 4 per cent. interest; and when it is considered how few at the age of 20 can expect to live to the age of 50, it may be admitted that the prospects of the service are not too great, and that the servants of the Honourable Company are not too highly paid for discharging the most important duties that can devolve upon any set of men, in banishment from their native country, and in a climate very unfavourable to an European constitution. It must also be taken into consideration, that their time abroad is fully occupied, without a day's relaxation from business, and their attendance required on an average of eight hours per diem. It has been suggested to me, that natives may be entrusted with the details of much of the business now performed by Europeans, at a much lower charge. My experience tells me, that the State would lose by any arrangement of the kind. There have been, I am sorry to say, too many instances of misconduct at all periods amongst the lower as well as the higher classes, and particularly lately amongst the highest educated, and those admitted into the society of European gentlemen, to prove that they could not be trusted with the management of a revenue treasury. It is unnecessary to mention names, but the prosecutions in the Supreme Court will prove, that there would be no safety in trusting the most respectable families, and I have been made acquainted with too many instances of very respectable men being imposed on by their own relations and servants, that I fear the Government would be subject to loss if it were to seek recommendations through the natives of rank. I wish we could look for any improvement of character from the education now afforded by the native college; but I cannot flatter myself with hope, and I do not think the natives look to any improvement, although they submit to have their children instructed in European literature; they have had, however, the mortification of seeing one or two turn out very ill, and one of the most respectable families to lose the largest portion of its fortune by the forgery of the father's name, and the sale of the government notes. I am of opinion that the junior servants cannot be employed too early in carrying on the details of the duties performed by their seniors, and making themselves acquainted with the duties now performed by the natives, and familiar with their books and entries in their native language, and that they should be employed in the interior of their districts, and mix with the population as much as possible. The character of the natives can be only known by such communication; and we can only obtain the confidence of the natives by such personal intercourse. It was in this way that Mr. Duncan and Sir Thomas Munro gained the character which they have left behind them, and which has raised the character of our government amongst the natives. When at Fort St. George, I mentioned with what pleasure the natives in the villages at Benares spoke to me of Mr. Duncan's having mixed so much with them; and Sir Thomas Munro observed to me, that the natives on the Coast delighted at the opportunity of speaking in the same way of him; and that the Honourable Company's servants, to be useful, and check the conduct of the native servants placed under their authority, must follow the example set them by Mr. Duncan. If the revenues cannot be collected without the charge of European superintendents, it is important that there should be as few as possible, and it may be useful to revert to the scale of the establishments maintained in 1808–9, with the view of doing away in the Lower Provinces the offices created since that period, if they can be dispensed with; and also for the purpose of ascertaining if, by the aid of assistants, the principals may not be able to perform the duties which formerly devolved on them. It will be useful if the accountant-generals at the three Presidencies are directed to furnish annually a special report on the increase to the different establishments, and suggest what may appear to them desirable for the information of the Honourable Court and the home authorities. If desirable, the monthly and quarterly audits of the Civil and Military Departments may be sent home, and the military and civil auditors of the three Presidencies may be directed to continue, under the head of Temporary Establishments to be remarked on, all charges not sanctioned by the Honourable Court, whose sanction alone should be deemed sufficient authority to bring a charge on the fixed establishment.

QUERY V.—In what Mode, and upon what Terms, has Money been borrowed in India by the Government, since the year 1808–9, and what are the advantages or disadvantages of the course that has been pursued?

Mr. Hill.

ANSWER.—ALL the money borrowed by the Government in India within the period in question has been raised by means of public subscriptions to open loans. The rate of interest has fallen from ten to eight, six, five and four per cent. The principal and interest of old loans were payable by bills on England. This is now the case with respect only to about a third part of the debt. The loans are liable to be discharged, at the option of Government, after certain stipulated periods or length of notice. The mode pursued has had the advantage of enabling the Government to borrow upon better terms than private persons, and without favour to one tender over another, and to adapt the treasuries at which interest and principal were payable to their own convenience. Its chief disadvantage has been that of enabling Government to borrow with facility, and to spend with prodigality.

Mr. Mackenzie.

THE money required by Government in aid of its proper resources has generally been borrowed by opening all the treasuries of collectors, and political residents, as well as the head treasuries of the three Presidencies, for the receipt of cash in loan to the East India Company. Bills payable being received as cash. The subscribers to such loans receive acknowledgments, entitling them and their representatives to an annuity equal to the interest of the sum subscribed, payable by half-yearly or quarterly instalments, until the Government shall see fit to pay the principal; but the instruments, though without any definite term of repayment, have the form of a promissory note, and are transferable by endorsement. The rate of interest has never during the period under review exceeded six per cent. per annum, to which rate the interest of nearly the whole of the fixed debt of India was reduced during the administration of Lord Minto: about half a million sterling of eight per cent. debt remained at Bombay until the year 1814. In 1823 the interest of a considerable portion of the debt was reduced to five per cent. per annum; and at this rate money has since been raised, excepting that at the commencement of the Burmese war, about a crore and a half of rupees was obtained at four per cent.; but subsequently almost wholly transferred to a five per cent. loan, on the condition of an equal amount being subscribed in cash, and that in 1828, a trifling sum was similarly obtained. The amount which the promissory note conditions to repay has always been the same with that actually received, excepting (in as far as I know) one instance, when, during the Pindarree war, notes were issued at a discount of four per cent., *i. e.* at the rate of 100 for 96 of cash subscribed. But occasionally considerable advantage has been allowed in the exchange, either with the view of supplying local wants, or indirectly as a bonus to promote subscriptions; and the principal of a large portion, and the interest of the whole of the fixed debt as it stood in 1822, being payable by bills on England at the rate of 2 *s.* 6 *d.* per the sicca rupee, and at 12 months date, the loan proprietors had a still more essential gain from that cause. This has been partially corrected; and, according to a Report from the Accountant General of Bengal, dated the 1st July 1830, the fixed or registered debt of Bengal stood as follows:

	Held by EUROPEANS.	Held by NATIVES.	TOTAL.
	Sa. Rs.	*Sa. Rs.*	*Sa. Rs.*
1st. 6 per cent. remittable loan of 1822 -	7,00,06,400	47,04,800	7,47,11,200
2nd. 5 per cent. loan - - 1823 -	7,02,74,600	2,14,20,900	9,16,95,500
3d. ditto ditto - - 1825-6 -	6,64,16,000	2,77,38,300	9,41,54,300
4th. 4 per cent. ditto - - 1823-4 -	3,13,400	9,17,700	12,31,100
5th. ditto ditto - - 1828-9 -	5,28,100	4,14,100	9,42,200

Of the first, the principal when repaid, and it cannot be forced upon the loan-holders during the currency of the Charter, is demandable in bills on England at the rate of 2 *s.* 6 *d.* the sicca rupee, the interest being intermediately payable half-yearly, either in cash in India, or, if the proprietors reside in Europe and demand it in that form, by bills at the rate of 2 *s.* 1 *d.* Of the other loans both principal and interest are demandable only in India, but to the holders of the second, an option was given of receiving their interest, which is payable half-yearly, in bills at the rate of 2 *s.* 1 *d.* during the pleasure of the Home Authorities, and of the third and fourth, the interest issued quarterly was made payable to all holders, wheresoever resident, either in cash or in bills, at the rate of 2 *s.*, with a similar reservation to the Home Government; which has been, the Board is aware, in both cases enforced by countermanding the issue of interest bills. The five per cent. loan of 1823 is repayable only by annual instalments of one and a half crore of rupees; the notes first entered in the register

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having the advantage of being last liable to be discharged. The other five per cent. loan is repayable at pleasure after the middle of the present year, if I rightly recollect the date. Besides the money regularly borrowed, as above described, from the public at large, different sums have been received at different times from Native Princes and Chiefs. Thus in the administration of Lord Hastings, two crore of rupees were borrowed from the sovereign of Oude, of which one was discharged by a cession of territory, and of the other, since partially paid off, the interest was applied to the payment of certain stipends chargeable to the Oude government. During the same administration, a sum of about 50 lacs of rupees was obtained from the same Prince, in consideration of his having transferred to him the property of the deceased Begum of Tuzabad; the Bengal Government taking upon itself the payment of stipends to the descendants of that Princess, equivalent to an interest of six per cent. on the amount received by it. During the administration of Lord Amherst loans of one crore and of 50 lacs respectively, were obtained from the King of Oude, at an interest of five per cent., the first with a special appropriation as defined in the engagements then recorded in the political proceedings of the government; and the Scindia State advanced 80 lacs, and the Rajah of Putteula, one of the protected Sikh Chiefs, 20 lacs of the local currency at the like interest; other loans, of some lacs each, being received also from different petty chiefs and monied men. These last-mentioned loans have, I imagine, been now repaid, arrangements for that purpose being in progress when I left Bengal in December 1830; among which it may be worth noticing the engagement of the chief native banker at Guallier, through his agent in Calcutta, to advance 50 lacs for promissory notes bearing five per cent. interest. To meet temporary exigencies, acknowledgments, called treasury notes, have at various times been issued, with different rates of interest, from the general treasury of the Presidency; they have generally been made payable at a specified, and that not a distant date, and are receivable intermediately in payment of government demands on account of customs, salt and opium, or other public dues collected at the Presidency. Deposits, too, are received from various public institutions, under special arrangements, which I need not detail, having already, I fear, detailed too much. On the whole, I think the plan pursued, if the Government must borrow, is an advantageous one; though it would not probably answer on a larger scale of expenditure. The money is obtained without the intervention of any expensive agency. The gradual savings of persons employed in the public service, and other individuals, are gathered in small sums throughout the country, in a manner very convenient to the parties, and consequently on terms favourable to Government. The form of the promissory notes admits of their being readily assigned in security for money borrowed, which adds to their value; and as the loan can be discharged by the payment of the same amount as was borrowed, excepting the option of remittance too hastily allowed and now discontinued, Government has none of the embarrassment that results from the obligation of an artificially exaggerated capital. It is curious to remark the charge incurred by the Company on account of the two millions borrowed in England in 1812, in consequence of their having become bound for an equivalent amount of three per cents., redeemable by a sinking fund. I have lost the calculation I made, but it proved, if I remember rightly, that not less than 15 per cent. per annum had been paid for the use of the money; and it may not be useless to observe, for future consideration, that the advantage of the three per cents. lying in the superior value of the annuity (3*l.* per annum on 100*l.* stock, selling higher and therefore yielding more to the Exchequer than the same annuity on 60*l.*), it may be reasonable to follow the plan of borrowing at a discount when there is no intention of paying the debt, but that such a scheme is likely to prove a very bad one if we ever come into the condition of discharging the obligation. By the course followed in India, the Government has certainly obtained a great command over its creditors, and it is only to be regretted that the remittance clause placed a considerable portion of the debt out of the reach of those measures which would have been otherwise adopted, but which seemed to be impracticable without the aid of Parliament.

QUERY VI.—What number of Mints existed in 1809, and at the present time; what are the general Regulations of the existing Mints, and what has been, and what is now, the condition of the various Currencies, and of the Import and Export of the precious Metals?

Mr. Wood.

ANSWER.—IN 1809 there were three mints, one at the Presidency, one at Benares, one at Furruckabad; and there are now three mints, one at the Presidency, one at Benares, one at Saugur. At Bombay three mints, at the Presidency, at Trivat, and at Broach; and at Madras one mint. For the regulations of the existing mints, I must refer to the printed regulations of the three Presidencies. The mints are accessible to the public on a payment of the mint duty of two per cent.; and individuals carrying bullion to the mints are allowed to superintend the melting and weighing of their bullion. It is usual to roast dollars and other foreign coins, to ascertain that they have not been plugged before they are melted. On the value of the bullion being ascertained, a mint certificate for the out-turn is issued to the party wishing to have it converted into coin, and this certificate is payable in cash from the General Treasury, without waiting the process of the coinage. The coin is received throughout

throughout the country by weight, and when under weight one per cent., the revenue officers receiving it are directed to remit it to the mints for recoinage. In the Lower Provinces, and in Behar, the Calcutta sicca rupee, in which all the accounts are kept, is only current, and its weight is 191.916; pure metal 175.923, and alloy 15.993. In the Western Provinces the Furruckabad rupee is current, and weighs 180.234; pure contents 165.283, alloy 15.019. At Madras, the rupee weighs 180; pure contents 165, alloy 15. At Bombay, I believe, the currency is now made to conform to the Madras and the Furruckabad: the Bombay and the Madras rupees are made to circulate in currency at these Presidencies at an equal value. Gold, from selling at 17 rupees 8 annas, and 18 rupees, the gold mohur, when its value in account is only 16 rupees, has disappeared from the circulation. The weight of the new gold mohur is 204.710; pure contents 187.651, alloy 17.059. At one period the revenues were paid in gold; but silver having been more abundantly supplied, has become cheaper than the rate at which it was convertible into gold in payment of revenue, and at the mint price, and gold has been withdrawn. The currency has been maintained at its full weight, under the regulation of receiving it only by weight; and for the imports and exports of the precious metals, I beg to refer to the returns accompanying my Reports on the Accounts of 1826–27. If one currency were established for British India, there would be no necessity for more than one mint at each of the Presidencies to coin the importations of bullion; for the short-weight rupees, which seldom amount to more than three or four lacs, may be easily remitted, as opportunity offers of troops proceeding to the Presidencies, for recoinage.

Great facilities would be afforded by establishing one current coin for the whole of British India, and for the British possessions to the east of the Cape of Good Hope, bearing on its face, in the native languages of the three Presidencies, and in English, its weight, its pure contents, and its alloy, in grains. If such a coin were established for the British possessions, the surplus receipts of one Presidency would be available for the excess of disbursements at another, without passing through the mints; and in the event of its being remitted to Europe, there would be no necessity for its being melted to ascertain its value, and it would be used for the mercantile currency of the world in the same way as the dollar, and probably find its way back to India through a circuitous channel, if not by a direct one, but would be more valuable than any other bullion by the amount of the mint duty, or 2 per cent. on the coinage.

Mr. Hill.

THERE has been only one mint at Madras throughout the period in question. Its sole employment, with scarcely any exception, has been that of recoining for Government the former currencies which they had called in. There is little import or export of the precious metals at Madras, and little coinage for private individuals. The rate of seignorage is two per cent. The currency established in 1818 consists of silver; the rupee of 180 grains, containing 165 grains of pure silver and 15 grains of alloy. The gold coinage is of the same weight and fineness as the silver, but the ratio between gold and silver is liable to be varied from time to time by a Government Proclamation.

Mr. Mackenzie.

IN Bengal (I mean the territories belonging to that Presidency) there were four mints: the Calcutta mint, a mint at Benares, a mint at Furruckabad, and a mint at Delhi. The currencies were three: the Calcutta sicca rupee, the Benares rupee, and the Furruckabad rupee. This last, sometimes called the Quenow rupee, because intended to be equivalent to that of the Oude government, was struck both at Furruckabad and Delhi, but the Delhi mint was never employed to any extent of importance. The Calcutta sicca rupee was, throughout the period in question, and long before it, circulated in the provinces of Bengal, Behar and Orissa. The circulation of the Benares rupee was confined to the province of Benares; that of the Furruckabad rupee extended to all the Ceded and Conquered Provinces, excepting Cuttack and the acquisitions east of Bengal, into which the Calcutta rupee has been introduced.

The mints at Delhi, Furruckabad and Benares have been abolished; and the rupees current within the territories subordinate to the Bengal Government have been reduced to two; viz., the Calcutta sicca rupee and the Furruckabad rupee; the currency of the latter being extended to Benares. The standard of both is now the same, the alloy being 1–12th of the weight; and for practical purposes the Calcutta rupee may be regarded as weighing 192 grains troy, with 176 of silver, and the Furruckabad 180 grains with 165 of pure metal *; the fractional excess in the latter and defect in the former coin being too minute to deserve notice, even if the adjusting machinery of the mint were perfect. At Madras and Bombay, each of which has, I believe, always had one mint only, a rupee is coined of which the prescribed weight and standard agrees exactly with that above stated for Furruckabad, viz. 180, with 1–12th alloy; and since all the three rupees are issued to the army as equivalent to

* Calcutta sicca rupee 191,916 grains troy.
Furruckabad rupee 180,234 —

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to the sonat rupee (now a nominal coin), it would seem easy to make them really alike, and to give them a common currency, and not impracticable to make them take the place of the Calcutta sicca rupee in the provinces of Bengal, Behar and Orissa. A copper coin, weighing 100 grains, passes throughout the Bengal territories at the rate of 64 to the rupee, but as a legal tender only for the fractional parts of that coin. I have not mentioned among the regular mints of Bengal that of Saugor, because it was established there for a temporary purpose, viz. the conversion of the local currencies into Furruckabad rupees, and it has, I presume, been or soon will be abolished. Nor can we reckon among the currencies the gold coin that issues from the mint; because the market value of gold relatively to silver having risen considerably above the mint value, the gold has ceased to circulate at the prescribed or at any fixed rate. It may be right, however, to mention, that the gold mohur of Bengal weighs 204.710 grains, of which the fine gold is 187.651. The Madras gold rupee is of the same weight and standard with the silver, viz. 180 grains, and at both Presidencies the relative value of gold to silver is 15 to 1; the Bengal mohur being reckoned equal to 16 rupees. The general rules of our Bengal mint, with which I believe those at Madras and Bombay coincide, are as follows: All bullion tendered by individuals is converted into the current coin, on the payment of a seiguorage duty of two per cent. A charge at various rates is also made for the expense of refining, which attaches to gold if in any degree inferior to the standard of the mohur, and to silver when below the standard of the Spanish dollar, or six worse than the rupee. On the coinage of half and quarter rupees, an additional duty of one per cent. is levied, and this is the only duty chargeable on the recoinage of money that has issued from our mint. To prevent the circulation of light money, it is prescribed that the several coins shall not be receivable as a legal tender, if when separately weighed they shall be found to have lost more than two pice, or 2-192 parts, equivalent, in the case of the Calcutta sicca, to 1.999 grains troy, or we may say two grains, if the rupee be taken at 192 grains.

The condition of the currency, as far as regards the bulk of the money circulating within our provinces, is, I believe, unexceptionable. But in different places old coins still circulate to a limited extent, and expose the people to some loss in their transactions with the money dealers; and in the territories of foreign states considerable embarrassment in the adjustment of rates of exchange has been experienced from the irregularity of the current coins.

For information in regard to the import and export of the precious metals, I beg to refer to the Trade Reports of the three Presidencies, and especially to the Review of the External Commerce of Bengal, published by Mr. Wilson, at Calcutta in 1830.

It will thence be seen that this branch of trade has undergone very great variations. As to its present condition, it may be briefly stated, that the balance with England being against India, and (China excepted) the export trade of India to the other countries whence it drew our bullion having declined, it seems likely that for some time the supply will not equal the demand; and that consequently a fall in prices, attended possibly with some difficulty in the realization of the Revenue, excepting that derived from opium, may be anticipated, until the cheapness of commodities, from the scarcity of silver or improved modes of production, shall again turn the course of trade.

It has become, therefore, especially expedient that every measure by which the exports of India can be increased shall be adopted. And it may not be unimportant to consider whether increased facility may not be given to the transfer of bullion and coin from that country to this, since pending the transition of exchange, every expense in the remittance of gold or silver will apparently operate as a tax upon the trade, and that a tax of pure loss.

The trade between England and India being reduced to a very small scale, the interest being lowered, and no possibility existing of procuring bills of exchange on favourable terms, are circumstances which have obliged individuals to send to England the gold and silver coins of India, by which they effect a more favourable exchange. The governments of India have also, I understand, sent considerable sums to England, and with what was exported during the Burmese war, must have impoverished India in those precious metals. To facilitate the intercourse between the countries, would it not be worth the consideration of the Government to make the coins of India bear a proportionate value to those of England? This might be accomplished by a very simple method for the present, until a new coin is introduced, by stamping on the coin His Majesty's head, with its relative value underneath, in the same way that formerly obtained with Spanish dollars. It would prevent the coin from being melted, and would confer on the colonies of the Cape of Good Hope, Mauritius and Australia, most essential benefit.

QUERY VII.—What steps have been taken for the separation of the Territorial from the Commercial Accounts of the Company, in India and in England; and whether, and wh t, further Measures are required for that purpose?

ANSWER.—THE books of account, both in India and in England, have been arranged according to the plan for the separation of accounts as approved by the Commissioners for the Affairs of India, in June 1814, and subsequently presented to Parliament. Since that period, an alteration in respect of political freight and demorage was proposed by the Court, and agreed to by the Commissioners for the Affairs of India, on 15th December 1819.

Mr. Lloyd.

Discussions at various times have taken place between the Board and the Court upon points connected with the accounts respectively of Territory and Commerce, as follows:

In respect to the propriety of charging interest upon the annual Balance of Account between the Territorial and Commercial branches:

Letter from the Board, dated 17th February 1818.
Letter from the Court, 12th August 1818.
Extract Letter from the Board, 23d and 30th April 1823.
Extract Letter from the Court, 1st May 1823.
Letter from the Board, 15th March 1824.
Letter from the Court in reply, 25th March 1824.
Letter from the Board in rejoinder, 17th April 1824.
Letter from the Court in answer, 17th June 1824.
Letter from the Board, transmitting case and opinion of Counsel, 30th November 1824.
Letter from the Court, transmitting case and opinion of Company's Standing Counsel, 6th July 1825.
Letter from the Board, 12th July 1825.
Letter from the Board, 23d December 1825.
Letter from the Court, transmitting case and opinion of the Law Officers of the Crown, and the Company's Standing Counsel, 2d April 1828.
Letter from the Board, 17th August 1830.
Letter from the Court, 9th December 1830.

With respect to Insurance proposed to be charged on the Company's Accounts:

Letter from the Court, 31st January 1818.
Letter from the Board, 17th February 1818.
Letter from the Court, transmitting a case and the opinion of the Law Officers of the Crown, and the Company's Standing Counsel, as to the legality of reserving a sum out of the surplus profits to answer contingent losses.

On the mode of stating the Company's Accounts between the two Branches:

Letter from the Board, 30th April 1823.
Letter from the Court, 18th September 1823.
Letter from the Board, 1st December 1823,
Memorandum from the Board, 18th February 1824; with reference to the Board's letter of 1st December 1823.
Memorandum of the Chairs on the same subject, dated the 20th February 1824.

On the subject of charging the Territorial department with the Loss in respect of investment from India to meet Bills drawn for Interest of India Debt:

Letter from the Court, dated 8th July 1830, enclosing statement.
Letter from the Board, 17th August 1830.
Letter from the Court, 9th December 1830.

Reviewing the Indian Finances from the year 1814:

Several Despatches, both in the Territorial and Commercial Finance Departments.
Commercial Finance Letter to Bombay, 9th April 1817.
Commercial Finance Letter to Bengal, 25th May 1819.
Public Letter to Fort St. George, 12th July 1820.
Commercial Finance Letter to Bengal, 28th November 1827.
Commercial Finance Letter to Bengal, 5th March 1828.
Territorial Finance Letter to Bengal, 1st April 1828.
Commercial Finance Letter to Fort St. George, 3d December 1828.
Territorial Finance Letter to Fort St. George, same date.
Commercial Finance Letter to Bombay, 26th August 1829.

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Regarding the rate of conversion of the several Indian Coins:
Regarding the Expenses of Bencoolen:

Discussion upon these points has terminated, with the exception of the subject of charging interest upon the Balance due from Territory to Commerce, except also upon the subject of charging the Territorial department with the loss in respect of investment from India to meet bills drawn for Interest of Indian Debt.

Mr. Langton.

THE system of Accounts, of which the outline was prepared by the Company in 1813, and which was sanctioned by the Board of Commissioners, appears to be so satisfactory, as to leave nothing to be desired in respect to the mechanism of the plan. And in Mr. Melvill's evidence of 1830, No. 5668, it is stated, that "the accounts are kept by double entry, and balanced annually, with all that attention to accuracy which characterises book-keeping in the counting-house of a merchant."

A good system of accounts does not, however, supersede the necessity of an audit. The Act of 1813, places ample powers for this purpose in the hands of the Board of Commissioners, but of which it does not appear that the Board has ever availed itself.

Mr. Hill.

THE separation of the Territorial from the Commercial accounts of the Company at Madras has been completely carried into effect, and no further measures are required for that purpose.

Mr. Wood.

I AM unacquainted with the method observed in England. In India the Accountant-general allows no advance on account of Commerce without a previous order from the Government, and on receiving the same, issues his directions for the advance from the Treasury, where it is required; and the officer making the advance takes the receipt of the commercial officer receiving it, and debits Commerce with the amount. A statement of these advances is furnished the commercial accountant for his information; and it becomes his duty to see that the advances are properly appropriated in the Commercial departments. The Territorial department has no control over the commercial advances from the period that the sums are paid out of a territorial treasury.

Mr. Mackenzie.

THE measures taken for this purpose have doubtless been explained to the Board much better than I could hope to do. I shall only therefore observe, that in so far as regards India, I am not aware of anything further being required.

The commercial branch had indeed been exempted from some inconsiderable charges on account of guards, and from its share of some items common to the two branches; but this has been I believe corrected, and excepting in so far as the members of Government may be considered to act in a commercial capacity (the less they do so the better for the Company's trade as well as for the country), I believe the separation has been carried into complete effect.

At home, the main thing wanted is the distribution of stock, on which it appears that hitherto there has been no distinct determination; and I am somewhat at a loss to understand how the dividend and the amount of commercial surplus can have been satisfactorily declared without such an adjustment between the two branches of the Company's concerns. It seems consequently to be important to ascertain from the India House how the amount of the yearly and half-yearly profit is ascertained, how the existence of a profit sufficient to pay the dividend or of a surplus beyond it, is shown to those who have to control the application of the surplus, whether any and what restriction other than the discretion of the Directors is put to the accumulation of commercial stock; how the commercial assets have accumulated, and how the Company would stand, supposing it to cease from having any concern whatever with the Government or Territorial Revenues of India; and taking into account all assets and debts, and all rights and obligations attaching to the corporation, this should have been done long ago; but though it may be difficult to come to a satisfactory adjustment now, that difficulty will only be aggravated by further delay.

QUERY VIII.—Whether any instances of Loss or Waste have come to your knowledge during the period referred to; and is the system of Accounts, whether general, subordinate or personal, such as is best calculated to guard against Loss, to prevent unauthorized Disbursement, and to compel the bringing to account, promptly and accurately, Public Money or Stores received and expended either by Individuals or by Departments; and whether any suggestions can be offered for improving and simplifying the existing system of Accounts?

Mr. Langton.

ANSWER.—IT appears from the Report of the Select Committee of 1811, p. 366, that a loss of near 900,000*l.* was sustained between 1792–3 and 1808–9, by the transmission of money from one Presidency to another; the money remitted being either not current at the place of its destination, or current only at an inferior value. I have not observed any indication in the papers laid before the present Select Committee, of what loss has been sustained since 1808–9 from this cause; but similar losses must have been experienced, as appears from Mr. Gordon's Evidence in 1831, Nos. 2139 to 2141. The uniform coinage recommended by him, would not only prevent the recurrence of such losses, but would obviate another inconvenience, experienced also in many parts of Europe, but bearing very severely on the Ryots of Hindostan; (see the same Evidence, Nos. 2114. 2117,) that, namely, of affording constant opportunities to the cunning and crafty to impose on the unsuspecting and the ignorant.

The defalcations alluded to in No. 3, come under this head; but as the system of accounts in use between the Finance Boards and their agents is not known to me, I can offer no suggestions for their improvement or simplification.

Mr. Wood.

I AM of opinion that the system of accounts now used, and the checks in practice, if observed, are sufficient to ensure the Government from loss; and having been framed from time to time to meet every circumstance calling forth the attention of the Government to prevent loss, that little improvement can be looked for; at the same time the vigilance of the service must be alive to every change, and watchful to prevent the designs of individuals against the Government: and there are many on all occasions ready to take advantage of any negligence on the part of the heads of offices and the Government servants.

I have known a loss at the mint of the Presidency; and, since my return, there has been a loss sustained at the mint of Benares; in both instances through the misconduct of the mint masters. I have known the treasury of Delhi, of Moorshedabad, and of Sylhet, to have sustained loss by the misconduct of the Native treasurers and their Amlah; and by the officers in charge omitting to pay that attention to the details of their management so essentially necessary to prevent the receipts from being misappropriated. I have known the General Treasury and the Bank of Bengal defrauded at different times; and other treasuries, by the misconduct of the Native Amlah, and by a want of vigilance on the part of the officers in charge. In almost all these instances, the Government has been saved from loss by the security of the native treasurers covering the loss, even when the native in charge has destroyed himself. The accounts and checks have been sufficient to show the extent of the frauds committed, and are ample to ensure, with common attention on the part of the Board and Judges of Circuit, the Government from loss. In the investigations which have on every occasion followed the report of any irregularity, the officers in charge of the treasuries have been dismissed their offices, on proof of neglect being brought to the satisfaction of the Government. For the credit of the service there have been few instances in which a servant has ever been proved to have participated, directly or indirectly, in the frauds committed; and when this has been proved they have invariably been dismissed the service. It is the duty of the Accountants-general of the three Presidencies to keep a watchful eye over the treasuries throughout the country placed under their control and management; they ought to receive monthly reports of the balances, and estimates of their receipts; and it is seldom that an opportunity offers of any misappropriation of receipts, as the accounts of every officer under the Government are checked monthly in the office of the Accountant-general in the Civil and Military departments.

Mr. Mackenzie.

I DO not immediately recollect any losses or instances of waste that can be traced to a defect in the accounts as their cause; what has been wanting is promptness in the audit, and a sufficiently frequent examination of the cash actually in hand compared with the stated balance. In the accounts of the Store department, indeed, I should infer some defect, from the difficulty experienced in obtaining from the Military Board of Bengal a clear account when required by the Government under instructions from home; but I am not able fully to explain the matter, which indeed could only be done by taking up the accounts successively; and

and, as a general suggestion, I should say, that every important defect of record will be remedied by enforcing universally the principles of balanced commercial account, which already generally prevail in the financial transactions of the Government. It might possibly be useful to depute to India an officer from the Accountant's department in this country; it being next to impossible, within the ordinary time of man's life, to set such things right by means of correspondence; nay, I am disposed to think there would be advantage in causing the officers of Account at home and abroad to rise as in one establishment; I exclude of course mere clerks or copyists, and confine the suggestion to higher European functionaries.

Mr. Hill.

IN answer to a former letter, I have stated my opinion that all the officers of Account in India ought to be trained to their duties in England, and ought to receive their appointments and their instructions from the authorities at home.

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